

FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022



**JIMMY PATRONIS, CHIEF FINANCIAL OFFICER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

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SPECIAL APPRECIATION

Special appreciation is given to all fiscal and accounting personnel throughout the State of Florida who contributed financial information for their agencies and component units.

The report cover was designed by the Publications Unit, Division of Administration, Department of Financial Services.

STATE OF FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022



Ron DeSantis
GOVERNOR

Jimmy Patronis
CHIEF FINANCIAL OFFICER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

This document and related information is available via the Florida Department of Financial Services' at:

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022

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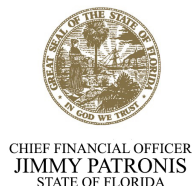
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INTRODUCTORY SECTION



March 27, 2023

Citizens of the State of Florida
The Honorable Ron DeSantis, Governor
The Honorable Kathleen Passidomo, President of the Senate
The Honorable Paul Renner, Speaker of the House of Representatives

To the Citizens of Florida, Governor DeSantis, President Passidomo, and Speaker Renner:

I am pleased to submit the State of Florida's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022, in accordance with Section 216.102(3), Florida Statutes (F.S.). This report is prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures that the costs do not exceed the benefits derived.

The Auditor General has issued an opinion on the state's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE STATE

Florida's Constitution divides the governmental structure of the state into three independent branches. The Legislative Branch has exclusive lawmaking power for the state. The Executive Branch, consisting of the Governor, Cabinet, and their agencies, administers the laws made by the Legislature. The Governor shares executive power and responsibility with the Cabinet, which is composed of the Attorney General, Chief Financial Officer, and Commissioner of Agriculture. The Judicial Branch interprets the law and applies the Constitution. The organizational chart following this letter provides an overview of the state's structure. Florida's government provides a range of services to its citizens including education, health and family services, transportation, public safety, law and corrections, natural resources and environmental protection.

The financial reporting entity of the state includes the primary government as well as component units for which the state is either financially accountable or a relationship exists with the state such that exclusion would cause the financial statements to be misleading. Refer to Note 1 to the financial statements for a listing of Florida's component units and the Financial Section of the report to obtain an overview of their financial positions.

Florida's budget is prepared using the processes set forth in Chapter 216, F.S. The major phases of the budget process are detailed in the Other Required Supplementary Information Section of this report. Florida law strictly prohibits overspending and requires budgetary control to be maintained at the individual appropriation account level.

ECONOMIC CONDITION

Florida recorded its second year of strong double-digit growth in General Revenue Fund collections when the state's fiscal year ended on June 30, 2022, signaling an economy near full recovery from the worst of the pandemic. From this point forward, Florida's near-term economic outlook is largely linked to the health of the national economy.

Nearly three years after the onset of the pandemic, economic projections are still proving to be a challenge for national forecasters. As this report is put to bed, significant economic ups and downs are occurring almost daily, some of which provide conflicting messages about the future. In early December 2022, a survey conducted by the National Association for Business Economics (NABE) showed participants

continued to downgrade expectations for the U.S. economy, with predictions of still elevated inflation, slower economic growth, and a weaker—but not contracting—labor market. A majority of respondents (57 percent) believed there is more than a 50 percent probability that a recession will occur in 2023, albeit mild. About 82 percent of the panelists believed the balance of risks to economic growth through 2023 is weighted to the downside. Sixty-five percent of the panelists believed the greatest downside risk to the U.S. economy through 2023, considering both probability of occurrence and potential impact, is too much monetary tightness.

December 2022 also saw the seventh rate hike by the Federal Open Market Committee (FOMC) since the calendar year began, with four consecutive increases of 75 basis points before a year-end 50 basis-point change. These actions brought rates to a targeted range between 4.25 percent and 4.50 percent, the highest level since December 2007. In its statement, the FOMC indicated that it anticipates ongoing increases in the target range will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time. NABE participants have varying estimates of the length of monetary policy lags—the time between implementation and the full impact on the real economy—with 75 percent believing the lag falls somewhere between 6 and 18 months, suggesting that the impact of the FOMC’s past actions is just beginning to take hold.

On December 13, 2022, inflation data for November was released. The Consumer Price Index for All Urban Consumers in November rose 7.1 percent over the last 12 months before seasonal adjustment. This was the slowest 12-month pace since December 2021, closing out a year in which inflation hit the highest level in four decades. While the figure for the month showed a modest deceleration in inflation for the second month in a row, the costs of essential items and housing still remain stubbornly high and well above the Federal Reserve’s long-term price stability target of 2 percent. The shelter (housing) component is the single largest contributor to the overall result. Eighty-five percent of NABE participants anticipate that core personal consumption expenditure (PCE) inflation will not decline to a year-over-year rate of 2 percent until 2024 or later. This is an expectation that the individual FOMC members seem to share, with the latest dot plot suggesting ongoing increases until a terminal rate of at least 5.1 percent is reached.

While all of this new information will become the foundation of its work, the state’s Economic Estimating Conference has not met since July and August 2022 to revise its projections. Because the Conference had already assumed a slowdown during the current fiscal year, the Legislature’s Office of Economic and Demographic Research (EDR) believes that many of the earlier forecasts will largely withstand the incorporation of a mild recession. A few of the key indicators unique to Florida are discussed below.

One measure for assessing the economic health of states is the year-to-year change in real Gross Domestic Product (GDP); this is the gain or loss in all goods and services produced or exchanged within a state. According to the latest revised data, Florida’s quarterly GDP movements have generally mirrored the nation as a whole since the beginning of the pandemic. Buffeted by a series of economic shocks, the state’s GDP slumped -0.5 percent in the 2019-20 fiscal year, grew 2.5 percent in the 2020-21 fiscal year, and expanded at more than double that rate (5.2 percent) in the 2021-22 fiscal year. Absent a significant economic contraction at the national level, Florida’s Economic Estimating Conference anticipates that the state’s economy will expand only 1.0 percent this fiscal year as economic imbalances weigh down the economy, but beginning next year (the 2023-24 fiscal year), it will grow at a more characteristic 2.0 percent per year.

Normally, personal income growth is another important gauge of the state’s economic health; however, its changes have been in stark contrast to GDP, driven largely by the ebb and flow of federal dollars into Florida households and businesses. For example, in the first quarter of the 2021 calendar year, Florida’s personal income growth shot up 63.0 percent, largely due to two different federal stimulus and relief programs converging in the quarter. As the federal support measures began to fade in the next quarter, the state’s personal income plummeted to an annualized loss of -18.6 percent, yet yielded a final growth rate for the 2020-21 fiscal year of 7.9 percent, the highest rate since 2015. The 2021-22 fiscal year saw moderately lower growth of 5.5 percent as the benefit from workers returning to their jobs or leveraging the tight labor market into better paying opportunities competed with the end of federal relief measures. Barring a serious national contraction, the Economic Estimating Conference expects growth of 6.4 percent in the 2022-23 fiscal year, largely on the continuing strength of salary growth. Thereafter, annual growth rates are expected to remain solidly at or above 4.0 percent.

The key measures of employment are job growth and the unemployment rate. After a -1.1 percent decline in fiscal year 2019-20, total non-farm employment declined by another -1.7 percent in the 2020-21 fiscal year. Following the other extremes experienced during the pandemic, the projected +5.9 percent growth for the 2021-22 fiscal year was the highest annual growth rate since the series began in 1991. By October 2022, Florida exceeded the pre-pandemic level (February 2020) by 467,000 jobs, a gain of 5.1 percent; however, job growth is expected to moderate for the remainder of the 2022-23 fiscal year, producing a 3.3 percent rate for the entire year. Thereafter, annual growth will step back in tandem with the national projections to 1.3 percent in the 2023-24 fiscal year and 0.6 percent in the 2024-25 fiscal year.

The state’s Economic Estimating Conference assumes the “full employment” unemployment rate is about 4 percent. Florida’s unemployment rate was below this level from February 2018 through February 2020. With the onset of the pandemic, the unemployment rate spiked to 13.9 percent in May 2020, handily surpassing the prior peak rate of 10.9 percent experienced in the first four months of 2010 during the Great Recession. Florida’s unemployment rate of 2.7 percent is now near its lowest recorded rate in modern times: the first half of 2006 when it was 2.4 percent. The Conference projects that the unemployment rate will average 3.8 percent in fiscal year 2022-23. Thereafter, the rate modestly increases to 4.1 in the 2023-24 fiscal year and 4.2 percent in the 2024-25 fiscal year.

Two areas of the state's economy indirectly benefited from the Federal Reserve's actions to protect the economy from the worst of the pandemic effects, but with a future payback: real estate and construction. Throughout the worst of the crisis, these economic sectors thrived as the federal funds rate neared zero and pushed interest rates to historical lows. By the end of the 2021-22, single-family starts had reached a 15-year annual high at 137,800 units, even though they were still far from the peak during the housing boom of 181,880 units. The momentum has already reversed. The Federal Reserve's aggressive actions to tame inflation has had its most direct impact on the housing market. Consecutive annual declines are expected over most years of the forecast as residential construction activity returns to the levels expected pre-pandemic, with the worst periods immediately ahead: the 2022-23 and 2023-24 fiscal years. NABE participants also anticipate home prices to rise at a much slower rate by the end of 2022, and then decline outright in 2023. Home prices, as measured by the Federal Housing Finance Agency's House Price Index (HPI), are projected to rise 8.6 percent in 2022 (Q4/Q4), down from the actual 18.0 percent increase in 2021. Fifty-four percent of NABE panelists believe existing home prices will fall 10-19 percent from peak to trough over the next 12 to 18 months. Another 15 percent believed the drop could be even higher. IHS Markit currently places the drop at 16.4 percent. Should these price drops come to pass, it will be a much stronger response to the Federal Reserve's actions than anticipated by the Economic Estimating Conference during the summer.

While all Florida industries were impacted by the pandemic-induced economic contraction, Florida's leisure and hospitality industry bore the brunt of the longer-term consequences. The total number of tourists plunged nearly -70.0 percent from the prior year in the second quarter of 2020. The magnitude of this loss caused the entire 2019-20 fiscal year to record a -19.1 percent decline in tourists. The damage continued in 2020-21, leading to an additional -7.2 percent loss from the prior year's already suppressed level—a combined -25.0 percent decline from the 2018-19 record-breaking year. By the end of the 2021-22 fiscal year, an outsized increase in domestic visitors offset some of the international losses, leading to growth of 39.4 percent over 2020-21 and growth of 4.6 percent over the prior peak. Slowly returning to a more normal mix of visitors in the midst of strong economic headwinds, the 2022-23 fiscal year will see growth of just 2.4 percent, with some strength returning in 2023-24 (4.4 percent growth). The annual growth rates moderate thereafter, gradually declining from 3.9 percent in 2024-25 to 3.1 percent in 2031-32. Notably, the new forecast levels never exceed the pre-pandemic forecast levels.

Finally, Florida's economic stability is vulnerable to the potential impacts of natural disasters, especially major hurricanes. This vulnerability can take several different forms, but one of the most immediate is to the state's long-term financial health. Although there is a widespread misconception that hurricanes are somehow beneficial to the state from an economic perspective, state government typically has expenditures greater than any incremental increase in the revenue estimate from rebuilding. As part of a presentation on the state's Long-Range Financial Outlook in early September, EDR noted that the state's record-breaking reserves (nearly \$42.0 billion at the time) would see the state through any event likely to happen during the remainder of the hurricane season. A few weeks later, this assessment was put to the test. Hurricane Ian made landfall on September 28, 2022, as a Category 4 hurricane and was followed by Hurricane Nicole on November 10, 2022. The Legislature has already met in a Special Session to provide—among other issues brought to the forefront by the back-to-back hurricanes—financial relief to the most hard-hit areas of the state. They authorized appropriations of \$751.5 million (see Senate Bill 4-A: Disaster Relief), but additional appropriations are expected during the Regular Session. When the November revenue collection report is released by EDR, it will contain the beginning effects of what will likely be a prolonged recovery and rebuilding stage.

ACKNOWLEDGEMENTS

Preparation of the ACFR requires a significant investment of time and resources of fiscal and accounting personnel throughout the state. We appreciate all the contributions made to this effort.

Sincerely,



Jimmy Patronis
Chief Financial Officer

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FINANCIAL SECTION

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida, as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of:

- The Prepaid College Program Fund, which is a major enterprise fund and represents 30 percent and 3 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 79 percent and 88 percent, respectively, of the assets and revenues of the Transportation major enterprise fund.
- The Hurricane Catastrophe Fund, which is a major enterprise fund and represents 29 percent and 10 percent, respectively, of the assets and revenues of the business-type activities.
- The College Savings Plan and the trust fund maintained by the State Board of Administration to account for the investments of the Public Employee Optional Retirement Program, which collectively represent 6 percent of the assets and 12 percent of the investment earnings (losses) of the aggregate remaining fund information.
- The Florida Retirement System Trust Fund maintained by the State Board of Administration to account for the assets and investment income of the Florida Retirement System Defined Benefit Pension Plan which represent 91 percent and 85 percent, respectively, of the assets and investment income (loss) of the Pension and Other Employee Benefits Trust Funds.

- The Florida Housing Finance Corporation, Citizens Property Insurance Corporation, component units related to the State's universities and colleges, and certain other funds and entities that, in the aggregate, represent 63 percent and 36 percent, respectively, of the assets and revenues of the discretely presented component units.

The financial statements for the above-listed funds and entities were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds and entities, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2, the State of Florida implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which is a change in accounting principle that addresses the accounting and financial reporting for leases. This affects the comparability of amounts reported in the 2021-22 fiscal year with amounts reported in the 2020-21 fiscal year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Florida's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is greater than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **Management's Discussion and Analysis** on pages 19 through 25 and the **Budgetary Comparison Schedules** on pages 188 through 192, **Budget to GAAP Reconciliation** on page 193, **Budgetary Reporting** on pages 194 through 195, **Schedule of Proportionate Share and Schedule of State Contributions** for pension on pages 196 through 199, **Schedule of Changes in Net Pension Liability and Schedule of State Contributions** on pages 200 through 201, **Schedule of Changes in Other Postemployment Benefits Liability** on pages 202 through 203, and **Information About Infrastructure Assets Reported Using the Modified Approach** on pages 204 through 205 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Florida's basic financial statements. The combining and individual fund statements

and related budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and related budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section on pages 6 through 9, and the Statistical Section on pages 293 through 327, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information appears otherwise to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of the State of Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Florida's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
March 27, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The information contained in the Management's Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the State of Florida's (the state's) financial activities and performance for the fiscal year ended June 30, 2022 (fiscal year 2021-22). Please read the MD&A in conjunction with the state's financial statements that are presented in the Financial Section of this Annual Comprehensive Financial Report (ACFR).

Financial Statements Overview

The state's basic financial statements are comprised of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the state's overall financial condition. Changes in the state's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the state's net position changed during the fiscal year is presented in the Statement of Activities. Financial information for the state's component units is also presented.

Fund Financial Statements

Fund financial statements for governmental and proprietary funds focus on individual parts of the state, reporting the state's operations in more detail than the government-wide financial statements. Fund financial statements for fiduciary funds are also included to provide financial information related to the state's fiduciary activities.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the government-wide and fund financial statements. Refer to Note 1 to the financial statements for more information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements				
	Government-wide	Fund Financial Statements		
	Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire state government (except fiduciary funds) and the state's component units	Activities of the state that are not proprietary or fiduciary	Activities of the state that are operated similar to private businesses	Instances in which the state is the trustee or agent for someone else's resources
Required financial statements	- Statement of net position - Statement of activities	- Balance sheet - Statement of revenues, expenditures, and changes in fund balances	- Statement of net position - Statement of revenues, expenses, and changes in net position - Statement of cash flows	- Statement of fiduciary net position - Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, liability, and deferred outflow/inflow information	- All assets and liabilities, both financial and capital, and short-term and long-term - All deferred outflows and deferred inflows of resources	- Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included - All deferred outflows and deferred inflows of resources	- All assets and liabilities, both financial and capital, and short-term and long-term - All deferred outflows and deferred inflows of resources	- All assets and liabilities, both financial and capital, and short-term and long-term - All deferred outflows and deferred inflows of resources
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	- Revenues for which cash is received during or soon after the end of the year - Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Condensed Government-wide Financial Statements and Overall Financial Analysis

Statement of Net Position

Table 2 below presents the state's Condensed Statement of Net Position as of June 30, 2022, and 2021, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was \$101.8 billion for governmental activities and \$31.6 billion for business-type activities which was a combined total of \$133.4 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling \$93.8 billion as of June 30, 2022, reflects net investments in capital assets. The state uses these capital assets to provide services to the citizens and businesses in the state; consequently, this component of net position is not available for future spending. Restricted net position is the next largest component, totaling \$30.6 billion as of June 30, 2022. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental activities reflect an unrestricted net position of \$7.8 billion at June 30, 2022, an increase of \$18.5 billion over the prior year. The increase in the unrestricted net position over that reported in prior years is explained in the Major Fund Analysis, Governmental Funds section that follows.

Business-type activities reflect a restricted net position of \$17.2 billion at June 30, 2022, an increase of \$0.9 billion over the prior year. The increase in the restricted net position over that reported in prior years is explained in the Major Fund Analysis, Proprietary Funds section that follows.

Table 2: Condensed Statement of Net Position

As of June 30						
(in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 63,963	\$ 43,645	\$ 37,403	\$ 40,562	\$ 101,366	\$ 84,207
Capital and leased assets, net	85,836	83,491	17,120	15,927	102,956	99,418
Total assets	149,799	127,136	54,523	56,489	204,322	183,625
Total deferred outflows of resources	3,922	4,980	111	121	4,033	5,101
Other liabilities	12,898	15,683	5,541	8,758	18,439	24,441
Noncurrent liabilities	26,253	34,083	17,137	18,037	43,390	52,120
Total liabilities	39,151	49,766	22,678	26,795	61,829	76,561
Total deferred inflows of resources	12,819	4,414	326	250	13,145	4,664
Net position						
Net investments in capital assets	80,475	77,435	13,370	12,591	93,845	90,026
Restricted	13,451	11,168	17,194	16,308	30,645	27,476
Unrestricted	7,825	(10,667)	1,066	666	8,891	(10,001)
Total net position	<u>\$ 101,751</u>	<u>\$ 77,936</u>	<u>\$ 31,630</u>	<u>\$ 29,565</u>	<u>\$ 133,381</u>	<u>\$ 107,501</u>

Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2021-22 and fiscal year 2020-21, as derived from the government-wide Statement of Activities. Over time, increases and decreases in the net position measure whether the state's financial position is improving or deteriorating. The state's total net position increased during the fiscal year by \$25.8 billion. The net position of governmental activities increased by \$23.8 billion, and the net position of business-type activities increased by \$2.0 billion. The majority of the \$402 million increase in total program expenses for governmental activities relates to a \$2.0 billion increase in Human Services expenses and \$1.8 billion decrease in General government expenses, while the largest decrease in business-type activities expenses is the \$19.2 billion decrease in Reemployment Assistance program expenses. Refer to the Major Fund Analysis section for information regarding the overall increase in revenues from governmental activities.

Table 3: Condensed Statement of Activities
For the Fiscal Year Ended June 30
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 11,046	\$ 8,556	\$ 11,034	\$ 14,181	\$ 22,080	\$ 22,737
Operating grants and contributions	51,700	46,653	1,299	18,685	52,999	65,338
Capital grants and contributions	1,850	2,152	—	1	1,850	2,153
Total program revenues	64,596	57,361	12,333	32,867	76,929	90,228
General revenues and payments						
Sales and use tax	38,414	30,452	—	—	38,414	30,452
Other taxes	19,210	16,700	—	—	19,210	16,700
Investment earnings (loss)	(1,600)	(415)	(22)	(7)	(1,622)	(422)
Miscellaneous	—	21	3	1	3	22
Total general revenues and payments	56,024	46,758	(19)	(6)	56,005	46,752
Total revenues	120,620	104,119	12,314	32,861	132,934	136,980
Program expenses						
General government	9,386	11,254	—	—	9,386	11,254
Education	25,407	25,506	—	—	25,407	25,506
Human services	48,864	46,913	—	—	48,864	46,913
Criminal justice and corrections	4,674	5,156	—	—	4,674	5,156
Natural resources and environment	3,316	3,473	—	—	3,316	3,473
Transportation	5,795	4,491	964	822	6,759	5,313
Judicial branch	454	702	—	—	454	702
Lottery	—	—	6,983	6,861	6,983	6,861
Hurricane Catastrophe Fund	—	—	71	1,383	71	1,383
Prepaid College Program	—	—	(1,093)	(39)	(1,093)	(39)
Reemployment Assistance	—	—	1,785	21,013	1,785	21,013
Nonmajor enterprise funds	—	—	386	420	386	420
Indirect interest on long term debt	74	77	—	—	74	77
Total program expenses	97,970	97,572	9,096	30,460	107,066	128,032
Excess (deficiency) before gain (loss) and transfers	22,650	6,547	3,218	2,401	25,868	8,948
Gain (loss) on sale of capital assets	(14)	(14)	(7)	(3)	(21)	(17)
Transfers	1,188	2,337	(1,188)	(2,337)	—	—
Change in net position	23,824	8,870	2,023	61	25,847	8,931
Beginning net position, as restated (Note 2)	77,927	69,066	29,607	29,504	107,534	98,570
Ending net position	\$ 101,751	\$ 77,936	\$ 31,630	\$ 29,565	\$ 133,381	\$ 107,501

Major Fund Analysis

Governmental Funds

The state's governmental funds reported a combined ending fund balance of \$45.0 billion at June 30, 2022, a \$18.0 billion or 66.5 percent increase from the prior year. Revenues increased by \$14.6 billion or 14.0 percent, other financing sources and uses decreased by \$0.3 billion or 9.0 percent, and expenditures increased by \$402.2 million or 0.4 percent. Overall increases in revenues and expenditures were primarily attributable to an increase in taxes, fees and charges.

Proprietary Funds

The state's proprietary funds report combined ending net position of \$31.6 billion at June 30, 2022, of which \$13.4 billion is the net investment in capital assets and \$17.2 billion is restricted for specific purposes. The remaining \$1.0 billion was unrestricted and available for purposes of the various funds. Information is provided below regarding major funds with significant variances relative to the prior year.

Transportation - This fund reported net position of \$14.5 billion at June 30, 2022, an increase of \$1.05 billion or 7.8 percent. The increase in net position was primarily due to an increase in contributions to support road construction and other capital projects.

Lottery – This fund reported net position of \$33 million at June 30, 2022, a decrease of \$19 million or 37 percent. The decrease in net position was primarily due to a decrease in the amount restricted for undistributed appreciation on restricted investments, a decrease in the amount invested in capital assets and an increase in the amount of restricted for future prizes or special prize promotions.

Reemployment Assistance – This fund reported restricted net position of \$1.9 billion at June 30, 2022, an increase of \$853 million or 85 percent. The increase in restricted net position was primarily due to a decrease in reemployment assistance claims.

Hurricane Catastrophe Fund – The restricted net position at June 30, 2022, totaled \$10.9 billion, an increase of \$714.8 million or 7 percent. The primary reason for an increase in the Fund's net position was due to stabilization of outstanding losses for events occurring in prior years.

Prepaid College Program – The restricted net position at June 30, 2022, totaled \$4.1 billion, a decrease of \$623.7 million or 13.2 percent. Net position and revenues decreased due to investment losses, primarily in the first and second quarters of 2022, due to an overall decline in the financial markets. Expenses increased primarily due to a decrease in actuarial value of future contract benefits and to increases in investment expense and securities lending expense.

General Fund Budget Variances

Budgeted expenditures are based on revenues estimated by the Revenue Estimating Conference and other sources. Original expenditures are budgeted for less than total expected available resources. There was a \$4.8 billion increase between the original and final estimated revenues. Final budgeted total expenditures increased by \$249.7 million from the original budget. Variances between the original and final budget or between the final budgeted and actual amounts are not expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the Budgetary Comparison Schedule for the General Fund in the Other Required Supplementary Information section of the ACFR.

Capital Asset, Leased Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2022, the state reported \$85.8 billion in net capital assets for governmental activities and \$17.1 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2020-21 to fiscal year 2021-22 by approximately 3.6 percent. The increase is primarily due to the capitalization of construction costs for infrastructure projects. Capitalized infrastructure projects include additions to and/or enhancements of roadways and bridges on the state's highway system. Construction commitments by the Florida Department of Transportation were approximately \$15.7 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities increased by approximately \$713.5 million compared to the prior year. Refer to Note 7 to the financial statements for information on capital assets and Note 9 to the financial statements for information on construction commitments.

Leased Asset Activity

At June 30, 2022, the state had \$1.4 billion in leased assets, net of amortization. The state began recording leased assets in fiscal year 2021-22, pursuant to Governmental Accounting Standards Board (GASB) Statement No. 87 - *Leases*. Refer to Note 6 in the notes to the financial statements for additional information on the leased assets.

Long-term Debt Activity

Total bonded debt outstanding decreased by \$1.4 billion, or approximately 7.4 percent, from the prior fiscal year to a total of \$17.9 billion at June 30, 2022 due to new debt issued being less than scheduled amortization and debt service payments. The majority of the outstanding bonded debt serves to finance educational facilities (\$7.4 billion), the Florida Hurricane Catastrophe Fund (\$3.5 billion) and transportation (\$6.1 billion). New and refinanced bonded debt issues for 2022 totaled \$1.6 billion. Public-Private Partnership (PPP) contracts outstanding decreased from the prior year by \$238 million or 8.2 percent to a total of \$2.7 billion. The annual debt service requirements increased from \$2.0 billion in 2021 to \$2.1 billion in 2022. The annual debt service payment remained relatively stable between the current fiscal year and the prior fiscal year. The annual debt service is projected to decrease to approximately \$1.6 billion through Fiscal Year 2024, then continue to decrease to approximately \$1.55 billion in Fiscal Year 2025, reflecting the payment obligations for the PPP I-395 and I-4 projects.

Pursuant to the provisions of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the State of Florida recorded \$3.5 billion in pension liabilities for the defined benefit plans it administers for the fiscal year ended June 30, 2022. The \$3.5 billion includes the State’s proportionate share of the liability for the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Florida National Guard Supplemental Retirement Benefit Plan. (See Note 8 to the Financial Statements for further information.)

Pursuant to the provisions of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State of Florida recorded \$7.3 billion in other postemployment benefits liabilities for the fiscal year ended June 30, 2022. This resulted in an increase of \$140 million or 2.0 percent. (See Note 8 to the Financial Statements for further information.)

The state maintained its credit ratings during the past year. During the fiscal year ended June 30, 2022, all three major rating agencies (Standard & Poor’s Rating Services, Fitch Ratings and Moody’s Investors Services) rated the state in the highest rating category and have affirmed the state’s AAA general obligation rating and stable outlooks. The state’s benchmark debt ratio decreased in Fiscal Year 2022 to 3.78 percent and is projected to remain below the 6 percent policy target for the foreseeable future.

Section 11 of Article VII of the State Constitution authorizes the state to issue general obligation bonds or revenue bonds to finance or refinance fixed capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the state and payable from specified taxes. Revenue bonds are payable solely from specified revenues. The responsibility to issue most state bonds rests with the Division of Bond Finance of the State Board of Administration. However, certain quasi-governmental entities also incur debt and are reported as part of the primary government. See the *State of Florida 2022 Debt Report* for more detailed information about the state’s debt position. The report can be found at www.sbafla.com/bondfinance or by contacting the Division of Bond Finance, 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida 32308, (850) 488-4782. Additional information on long-term debt is also found in Notes 6b, 8, 10, 11, 12 and 13 to the financial statements and the Statistical Section of this report.

Infrastructure Accounted for Using the Modified Approach

The state elected to use the modified approach to account for roadways, bridges, and other infrastructure assets of the State Highway System. Under this approach, the Florida Department of Transportation (FDOT) committed to maintain these assets at levels established by FDOT and approved by the Florida Legislature. No depreciation expense is reported for these assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. FDOT maintains an inventory of these assets and performs periodic assessments to establish that predetermined condition levels are being maintained. The condition assessments performed during fiscal year 2021-22 show that the roadways and bridges of the State Highway System are being maintained at or near FDOT standards. These condition assessments were consistent with condition assessments conducted during past years. In addition, FDOT makes annual estimates of the amounts that must be expended to maintain the roadways and bridges included on the State Highway System at the predetermined condition levels. These estimates are based on the FDOT five-year plan that is revised as projects are added, deleted, adjusted, or postponed. Refer to the Other Required Supplementary Information of the ACFR for information on FDOT’s established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

Economic Factors

Still transitioning to more typical economic behaviors after the worst of the pandemic effects, the overall economy had strengthened—and in some respects overheated—as the state’s fiscal year ended June 30, 2022. General Fund tax collections came in 21.4 percent higher than the prior fiscal year, which had also seen a strong double-digit increase. This generally mirrors the increase in federal revenues over a similar time period (21.0 percent, the largest percentage increase in five decades) and General Fund growth in other states (14.5 percent across all states). Even so, signs of economic disruption were still

evident, with challenges including the end of significant federal monetary and fiscal stimulus provided during the early years of the pandemic, the rapid drawdown of savings over the past year, the elevated use of credit over the previous few months, the continued normalization of spending on services and away from taxable goods, and strong inflationary pressures on households. Nonetheless, state revenue collections far exceeded expectations and the economic fundamentals, confounding the ability to predict the impact and timing of key turning points. Ultimately, the annual growth rates for the General Fund are expected to go through a multiyear period of adjustment prior to stabilizing at the 2.8 percent annual growth projected for the long run.

Nearly all (88.7 percent) of the year-over-year net increase in General Fund receipts (total revenue minus refunds) came from the gain in sales tax collections. Over the past 18 years, this revenue source's share of the fund has changed from a 70.6 percent in fiscal year 2004-05 to 77.3 percent in fiscal year 2021-22, which means that even a modest increase in collections from the prior year translates into a nontrivial dollar gain. As the economy continued to normalize in the post-pandemic world, total sales tax liability increased 26.4 percent from fiscal year 2020-21 to fiscal year 2021-22, with all six of the state's sales tax categories used for reporting purposes (consumer nondurables, tourism and recreation, autos and accessories, other durables, construction and building investment, and business investment) showing positive growth over the already recovering prior year. This equates to a \$7.89 billion increase from the fiscal year 2020-21 level for this source, of which \$6.88 billion flowed through to the General Fund. Because the state's Revenue Estimating Conference had previously expected the underlying economic disruption to erode some of the potential sales tax growth, the final strength of that gain to the General Fund came as a windfall of nearly \$2.65 billion or 8.4 percent of the anticipated level for the year. There are several reasons why this occurred, but one is particularly problematic. The initial response to inflation is an increase in sales tax collections that reflects the higher prices. Persistent inflation conditions, however, ultimately suppress collections as consumers begin to spend more money on non-taxable necessities like food and healthcare. The precise turning point between the two conditions is difficult to predict.

Several revenue sources continued to perform better than expected, still benefiting from government actions to provide relief and support during the first crucial stages of the pandemic. Among these sources, collections of both the documentary stamp and intangibles taxes rely predominantly on activity in the state's real estate market. To provide an important firewall between the turmoil in the economy at-large and the financial system, the Federal Reserve aggressively instituted rate cuts to near-zero percent, backstopped credit markets and created new facilities to buy corporate debt. One result was record low interest rates that set off a surge of home buying and refinancing that began in the last quarter of fiscal year 2019-20. These effects continued through the 2021-22 fiscal year, with total Documentary Stamp Tax collections topping the fiscal year 2005-06 peak reached at the height of Florida's housing boom for the second year in a row. The results for fiscal year 2021-22 were even more eye-popping than the prior year with collections soaring to nearly \$5.4 billion. As rates rise and affordability is increasingly an issue, Documentary Stamp Tax collections are expected to decline in 2022-23 by 15.6 percent and by another 10.7 percent in 2023-24. Reflecting a slightly different aspect of the market, intangibles tax collections, which entirely benefit the General Fund, continued to grow as refinancing activity stayed stronger than expected, ultimately posting a 20.9 percent gain over the prior year—albeit a marked drop from that year's growth of 42.3 percent.

Similarly, corporate income tax collections grew another 10.8 percent after the prior year's 37.3 percent. According to the Federal Reserve Bank of St. Louis, underlying profits remain high, and corporations have, so far, been able to pass higher input costs fully onto consumers. The precise reasons for the still high profitability are not yet totally clear, raising serious questions about its ability to persist into future years. Echoing the comments from last year included in a tax analysis by the Congressional Budget Office, "Those collections were more robust than the amounts implied by currently available data on the economy given the past relationship between the level of economic activity and revenues." Because the state's Revenue Estimating Conference assumes that the 2022-23 fiscal year will have even stronger double-digit growth, corporate income tax receipts may prove to be a risk to the overall General Fund forecast.

In addition to the revenue sources discussed above, collections of two other General Fund sources showed material growth over the prior year: insurance premium tax and article V fees and transfers. Receipts for the latter were boosted as courts fully reopened relative to the 2020-21 fiscal year. Altogether, nearly 56 percent of the state's General Fund sources posted gains over the prior year. Of the seven sources that lost ground during the year (earnings on investments, pari-mutuel taxes, highway safety licenses and fees, counties Medicaid share, corporate filing fees, other nonoperating revenue, and tobacco taxes) earnings on investment was by far the most significant. The year-over-year loss was primarily related to portfolio adjustments and administrative process changes.

The Revenue Estimating Conference last met in August 2022 to revise the General Fund forecast for fiscal years 2022-23 and 2023-24. After coming in nearly \$3.85 billion over estimate for the 2021-22 fiscal year, the Conference added a similar amount (\$3.45 billion) to the overall forecast for the 2022-23 fiscal year. Even at that, the new forecast for collections embedded a decline of -4.6 percent from the outsized prior year. Assuming a downshift will begin sometime in the current year, the Conference increased the 2023-24 fiscal year forecast by only \$1.82 billion, with the positive annual adjustments declining thereafter. The two-year combined increase for 2022-23 and 2023-24 added nearly \$5.3 billion to the prior forecast. These changes reflected increases over the previous estimates of 8.9 percent in 2022-23 and 4.5 percent in 2023-24.

As a buffer against any future emergencies and to control recurring spending commitments, the latest General Revenue Outlook shows that there will be \$13.72 billion in unallocated general revenue remaining at the end of the current fiscal year. In addition, the state's major reserve for emergencies, the Budget Stabilization Fund, has a planned balance of \$3.14 billion. The fund balance is now at the highest recorded level in its history. In addition, the Legislature created the Emergency Preparedness and Response Fund during the 2022 Regular Session as a primary source of funding for preparing or responding to a disaster

declared by the Governor as a state of emergency. Between the three funds, reserves total \$17.36 billion or 41.3 percent of the state's estimated General Fund tax collections for the current year (after payment of refunds). According to the state's Long-Range Financial Outlook adopted in September 2022, the state will not have a budget gap in the upcoming fiscal year (2023-24), meaning the projected revenues will meet all anticipated needs. At the time the report was adopted by the state's Legislative Budget Commission, the surplus of revenues over needs was over \$13.53 billion, but 81.2 percent of this was nonrecurring dollars.

Contact the State's Financial Management

Questions about this report or requests for additional financial information may be addressed to:

Department of Financial Services
Bureau of Financial Reporting
Statewide Financial Reporting Section
200 East Gaines Street
Tallahassee, Florida 32399-0364
(850) 413-5511

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**FINANCIAL
SECTION:
BASIC FINANCIAL
STATEMENTS**

STATEMENT OF NET POSITION
JUNE 30, 2022
(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and cash equivalents	\$ 50,919	\$ 142,151	\$ 193,070	\$ 3,428,213
Pooled investments with State Treasury	48,868,350	3,286,243	52,154,593	4,371,482
Other investments	732,831	29,865,799	30,598,630	18,056,176
Receivables, net	7,596,319	1,377,159	8,973,478	2,661,621
Lease Receivables, net	17,199	—	17,199	421,271
Internal balances	185,083	(185,083)	—	—
Due from component units/primary	1,255	511	1,766	621,835
Inventories	149,590	10,977	160,567	124,591
Restricted cash and cash equivalents	—	172	172	517,944
Restricted pooled investments with State Treasury	—	400,357	400,357	665,544
Restricted investments	—	519,638	519,638	8,303,819
Advances to other entities	815,086	—	815,086	—
Other loans and notes receivable, net	4,160,800	1,869,309	6,030,109	2,410,945
Other assets	42,581	72,416	114,997	896,596
Right to use leased assets, net	1,342,537	42,938	1,385,475	638,751
Capital assets, net	85,836,101	17,120,038	102,956,139	27,962,031
Total assets	149,798,651	54,522,625	204,321,276	71,080,819
DEFERRED OUTFLOWS OF RESOURCES				
Accum. decrease in fair value - hedging derivatives	—	—	—	25,056
Grants paid in advance	43,751	—	43,751	—
Amount deferred on refunding of debt	63,457	15,452	78,909	54,258
Lease related	—	—	—	2,355
Pension-related items	2,628,951	53,175	2,682,126	1,360,501
Other postemployment benefits	1,185,709	42,447	1,228,156	892,576
Asset retirement obligations	—	—	—	8,975
Total deferred outflows of resources	3,921,868	111,074	4,032,942	2,343,721

STATEMENT OF NET POSITION
JUNE 30, 2022
(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
LIABILITIES				
Accounts payable and accrued liabilities	3,499,377	1,264,308	4,763,685	3,020,135
Due to other governments	6	2,060	2,066	—
Due to component units/primary	198,510	235	198,745	107,028
Obligations under security lending agreements	3,604,483	1,597,953	5,202,436	—
Leases	1,287,792	44,420	1,332,212	610,020
Long-term liabilities				
Due within one year	4,308,167	2,631,868	6,940,035	2,814,930
Due in more than one year	26,252,584	17,136,875	43,389,459	14,801,485
Total liabilities	39,150,919	22,677,719	61,828,638	21,353,598
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	3,708,869	—	3,708,869	—
Deferred service concession arrangement receipts	—	125,229	125,229	109,030
Amount deferred on refunding of debt	121,149	16,047	137,196	1,824
Lease related	17,199	—	17,199	468,124
Pension-related items	5,556,760	97,532	5,654,292	2,632,382
Other postemployment benefits liability	3,414,711	87,624	3,502,335	1,325,253
Irrevocable split-interest agreements	—	—	—	60,441
Total deferred inflows of resources	12,818,688	326,432	13,145,120	4,597,054
NET POSITION				
Net investments in capital assets	80,475,306	13,369,983	93,845,289	23,681,094
Restricted for				
Natural resources, environment, and growth management	5,678,156	—	5,678,156	—
Public Education	489,818	—	489,818	—
Health and Family Services	2,605,583	—	2,605,583	—
Transportation	1,885,290	283,558	2,168,848	—
Nonmajor governmental funds	1,667,053	—	1,667,053	—
Debt service	16,041	—	16,041	65,519
Lottery	—	91,978	91,978	—
Prepaid College Program	—	4,080,834	4,080,834	—
Hurricane Catastrophe Fund	—	10,909,990	10,909,990	—
Reemployment Assistance	—	1,821,414	1,821,414	—
Other	1,109,053	5,764	1,114,817	8,514,208
Funds held for permanent endowment				
Expendable	—	—	—	2,191,470
Nonexpendable:				
Inventories	—	—	—	4,090,256
Unrestricted	7,824,612	1,066,027	8,890,639	8,931,341
Total net position	\$ 101,750,912	\$ 31,629,548	\$ 133,380,460	\$ 47,473,888

The notes to the financial statements are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

GENERAL FUND

This fund is the State's primary operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

NATURAL RESOURCES, ENVIRONMENT, AND GROWTH MANAGEMENT

This fund accounts for operations of various programs, such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation.

PUBLIC EDUCATION

This fund includes internal reporting funds administered by the Department of Education to operate education-related programs.

HEALTH AND FAMILY SERVICES

This fund includes internal reporting funds used to operate various health and family service-related programs, such as health care, elder affairs, and public assistance.

TRANSPORTATION

This fund includes the internal reporting special revenue funds used to account for the administration of the maintenance and development of the State highway system and other transportation-related projects.

Nonmajor Funds

Nonmajor governmental funds are presented, by fund type, beginning on page 209.

BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 5,618	\$ 4,264	\$ —	\$ 11,936
Pooled investments with State Treasury	31,140,317	4,100,843	1,858,141	2,235,406
Other investments	308,622	—	—	—
Receivables, net	2,424,707	267,398	5,490	3,474,884
Due from other funds	233,931	100,668	71,633	127,104
Due from component units/primary	242	349	—	—
Lease receivables	5	—	—	4
Inventories	7,440	755	—	31,470
Other	41,649	—	—	—
Total current assets	34,162,531	4,474,277	1,935,264	5,880,804
<u>Noncurrent assets</u>				
Long-term investments	—	—	—	—
Lease receivables, net	16,151	—	—	10
Advances to other funds	1,425	—	—	—
Advances to other entities	10,898	4,105	798,647	—
Other loans and notes receivable, net	1,130	1,877,501	588	36,782
Total noncurrent assets	29,604	1,881,606	799,235	36,792
Total assets	34,192,135	6,355,883	2,734,499	5,917,596
DEFERRED OUTFLOWS OF RESOURCES				
Grants paid in advance	—	—	—	—
Total deferred outflows of resources	—	—	—	—
Total assets and deferred outflows	34,192,135	6,355,883	2,734,499	5,917,596
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	797,165	75,354	3,742	653,761
Due to other funds	592,877	25,847	4,153	42,305
Due to component units/primary	27,637	154,573	43	9,718
Compensated absences	10,180	1,956	69	1,576
Claims payable	203,094	—	—	1,095,814
Deposits	274	80,965	13,745	—
Obligations under security lending agreements	2,963,502	113,860	107,783	9,214
Total current liabilities	4,594,729	452,555	129,535	1,812,388
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	1,155,877	—
Deposits	—	—	—	—
Other	—	—	250	—
Total noncurrent liabilities	—	—	1,156,127	—
Total liabilities	4,594,729	452,555	1,285,662	1,812,388
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	1,582,597	5,857	—	49,632
Unavailable revenue	223,827	971	—	1,314,673
Lease related	16,155	1	—	14
Total deferred inflows of resources	1,822,579	6,829	—	1,364,319
FUND BALANCES				
Nonspendable				
Inventories	18,312	755	—	31,470
Restricted	60,576	3,069,988	1,453,904	319,935
Committed	549,936	2,825,756	855,665	2,389,484
Unassigned	27,146,003	—	(860,732)	—
Total fund balances	27,774,827	5,896,499	1,448,837	2,740,889
Total liabilities, deferred inflows and fund balances	\$ 34,192,135	\$ 6,355,883	\$ 2,734,499	\$ 5,917,596

The notes to the financial statements are an integral part of this statement.

Transportation	Nonmajor Governmental Funds	Totals 6/30/22
\$ 948	\$ 16,500	\$ 39,266
4,007,169	4,642,750	47,984,626
—	327,501	636,123
329,654	936,329	7,438,462
326,368	189,277	1,048,981
—	15	606
—	6	15
8,863	101,062	149,590
9	177	41,835
4,673,011	6,213,617	57,339,504
—	38,410	38,410
—	—	16,161
132,662	—	134,087
1,436	—	815,086
432,362	1,812,437	4,160,800
566,460	1,850,847	5,164,544
5,239,471	8,064,464	62,504,048
43,751	—	43,751
43,751	—	43,751
5,283,222	8,064,464	62,547,799
744,943	607,249	2,882,214
157,656	274,730	1,097,568
—	6,258	198,229
625	951	15,357
—	5,975	1,304,883
—	6,533	101,517
228,741	134,088	3,557,188
1,131,965	1,035,784	9,156,956
50,000	983	1,206,860
—	67	67
—	—	250
50,000	1,050	1,207,177
1,181,965	1,036,834	10,364,133
1,902,243	168,540	3,708,869
313,725	1,588,466	3,441,662
—	6	16,176
2,215,968	1,757,012	7,166,707
8,871	101,263	160,671
50	2,056,215	6,960,668
1,876,368	3,113,140	11,610,349
—	—	26,285,271
1,885,289	5,270,618	45,016,959
\$ 5,283,222	\$ 8,064,464	\$ 62,547,799

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

Total fund balances for governmental funds	\$	45,016,959
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets and leased assets used in governmental activities reported in governmental funds are not financial resources and therefore are not reported in the funds.

Land and other nondepreciable assets	22,059,280	
Nondepreciable infrastructure	58,376,788	
Buildings, equipment and other depreciable assets	7,140,926	
Accumulated depreciation	(4,954,385)	
Construction work in progress	2,320,821	
		84,943,430
Right to use leased assets	1,392,748	
Accumulated amortization	(162,346)	
		1,230,402

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences	(762,601)	
Installment purchases/leases/public-private partnership agreements	(3,577,430)	
Claims payable	(2,356,322)	
Bonds payable	(10,843,177)	
Certificates of participation payable	(41,998)	
Pension liability	(7,021,933)	
Other postemployment benefits	(3,400,470)	
Due to other governments	(339,979)	
Other	(22,309)	
		(28,366,219)

Deferred amounts on refunding are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources (to be amortized as interest expense) but are not reported in the funds.	(54,828)
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Deferred amounts for pension-related items are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources (to be amortized as pension expense) but are not reported in the funds.	(2,899,017)
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Deferred amounts for other postemployment items are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources (to be amortized as pension expense) but are not reported in the funds.	(2,185,462)
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Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position.	(22,275)
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Assets (receivables) not available to provide current resources are offset with deferred inflows of resources in the fund statements. The reduction of the deferred inflow and recognition of revenue increases net position in the Statement of Net Position.	3,441,662
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Internal service funds are used to report activities that provide goods and services to other funds or agencies within the state. Therefore, the excess of assets over liabilities of the internal service funds are included as governmental activities on the Statement of Net Position.	646,260
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Net position of governmental activities	\$	<u><u>101,750,912</u></u>
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The notes to the financial statements are an integral part of this statement.

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STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services
REVENUES				
Taxes	\$ 51,757,327	\$ 313,595	\$ 1,204,937	\$ 803,063
Licenses and permits	450,317	63,892	1,146	43,636
Fees	—	—	—	—
Fees and charges	1,690,723	184,546	56,905	2,234,366
Grants and donations	4,787,704	231,500	6,110,130	34,930,277
Investment earnings (losses)	(1,573,844)	(38,610)	(55,156)	40,291
Fines, forfeits, settlements and judgments	185,390	6,193	219,276	70,850
Other	(56,189)	4,209	31,661	574,150
Total revenues	57,241,428	765,325	7,568,899	38,696,633
EXPENDITURES				
Current:				
General government	5,149,229	16,727	—	142,787
Education	15,922,607	—	9,067,624	—
Human services	8,934,421	—	—	38,785,912
Criminal justice and corrections	4,309,468	—	—	—
Natural resources and environment	666,485	1,435,144	—	—
Transportation	10,086	—	—	—
Judicial branch	423,423	—	—	—
Capital outlay	771,357	123,421	279	235,932
Gain (loss) on disposal of general fixed assets	—	—	—	—
Debt service:				
Principal retirement	9,072	235	—	—
Interest and fiscal charges	9,035	395	—	2,265
Total expenditures	36,205,183	1,575,922	9,067,903	39,166,896
Excess (deficiency) of revenues over expenditures	21,036,245	(810,597)	(1,499,004)	(470,263)
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issues	1,425	—	—	—
Proceeds of refunding bonds	—	—	—	—
Proceeds of financing agreements	—	—	—	—
Lease liabilities issued	548,641	28,799	—	199,206
Operating transfers in	775,973	2,279,902	2,915,864	1,534,595
Operating transfer out	(8,791,555)	(254,639)	(1,116,538)	(566,219)
Payments to refunded bond agent	—	—	—	—
Total other financing sources (uses)	(7,465,516)	2,054,062	1,799,326	1,167,582
Net change in fund balances	13,570,729	1,243,465	300,322	697,319
Fund balances - beginning, as restated (Note 2)	14,204,098	4,653,034	1,148,515	2,043,570
Fund balances - ending	\$ 27,774,827	\$ 5,896,499	\$ 1,448,837	\$ 2,740,889

The notes to the financial statements are an integral part of this statement.

Transportation	Nonmajor Governmental Funds	Totals 6/30/22
\$ 3,111,445	\$ 335,652	\$ 57,526,019
15,626	1,936,806	2,511,423
—	—	—
435,061	760,268	5,361,869
1,911,901	5,283,241	53,254,753
(123,780)	(58,565)	(1,809,664)
2,997	549,128	1,033,834
205,604	109,000	868,435
5,558,854	8,915,530	118,746,669
220,434	3,809,716	9,338,893
—	224,734	25,214,965
—	483,750	48,204,083
—	567,245	4,876,713
—	1,980,514	4,082,143
5,900,510	173	5,910,769
—	105,623	529,046
2,227,735	550,491	3,909,215
—	—	—
308,743	1,085,796	1,403,846
71,262	456,297	539,254
8,728,684	9,264,339	104,008,927
(3,169,830)	(348,809)	14,737,742
—	1,474	2,899
—	808,478	808,478
100,447	1,032	101,479
596	457,105	1,234,347
3,960,880	5,310,105	16,777,319
(852,511)	(3,318,422)	(14,899,884)
—	(808,478)	(808,478)
3,209,412	2,451,294	3,216,160
39,582	2,102,485	17,953,902
1,845,707	3,168,133	27,063,057
\$ 1,885,289	\$ 5,270,618	\$ 45,016,959

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

Net change in fund balance - total governmental funds	\$	17,953,902
Internal service funds are used by management to charge the costs of goods or services to other funds and agencies within the state. Therefore, the net revenue (expense) of the internal service funds is reported with governmental activities.		(82,544)
Governmental funds report capital outlays and leases as expenditures. However, in the Statement of Activities the cost of these assets are allocated over the estimated useful lives of the assets and reported as depreciation and amortization expense. The amount by which capital outlay and lease expenditures exceeded depreciation and amortization in the current period.		
Capital outlay and lease expenditures	4,754,788	
Capital asset transfers, net	(681,526)	
Depreciation and amortization expense	(423,735)	
		3,649,527
In the Statement of Activities, the gain or (loss) on the sale of assets is reported whereas in the governmental funds only the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the assets sold.		(13,749)
In the Statement of Activities, some revenues are recognized that do not provide current financial resources and are not recognized as revenues in the governmental funds until available, i.e., deferred inflows of resources, unavailable revenue.		1,797,077
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences	28,094	
Decrease in accrued interest	2,968	
Increase in claims payable	(661,073)	
Decrease in other postemployment benefits	110,363	
Increase in net pension related items	639,054	
Decrease in due to other governments	21	
Increase in other liabilities	(2,655)	
		116,772
The incurrence of long-term debt (e.g., bonds) and leases provides current financial resources to governmental funds, while the repayments of the principal of long-term debt and the payment of leases consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Bond proceeds and leases issued	(2,899)	
Refunding bond proceeds	(808,478)	
Financing agreement proceeds	(1,338,982)	
Repayment of bonds	1,085,221	
Repayment of leases/installment purchase contracts/certificates of participation	502,689	
Payment to refunded bond escrow agent	808,478	
Amortization of bond premium	196,556	
Amortization of amount deferred on refunding of debt	937	
Other	(40,147)	
		403,375
Change in net position of governmental activities	\$	23,824,360

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

TRANSPORTATION

This fund primarily accounts for operations of the Florida Turnpike Enterprise which includes the Florida Turnpike System.

LOTTERY

This fund accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Education Enhancement Trust Fund.

FLORIDA HURRICANE CATASTROPHE FUND

This fund, administered by the State Board of Administration, is used to help cover insurers' losses in the event of a hurricane disaster.

PREPAID COLLEGE PROGRAM

This fund, administered by the State Board of Administration, is used to account for payments from purchasers of the Florida Prepaid College Program, a blended component unit. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

REEMPLOYMENT ASSISTANCE

This fund accounts for the receipt of monies for and payment of unemployment compensation benefits.

Nonmajor Funds

Nonmajor enterprise funds are presented on page 250.

Internal Service Funds

Internal service funds are presented on page 257.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 1,109	\$ 286	\$ —	\$ 92,554	\$ 13,325
Pooled investments with State Treasury	958,651	268,274	—	—	1,620,169
Other investments	104,074	—	5,758,583	2,300,868	—
Receivables, net	21,543	42,084	137,825	709,907	262,923
Lease receivables, net	—	—	—	—	—
Due from other funds	266,931	—	—	42	994
Due from component units/primary	—	—	—	—	291
Inventories	9,324	1,652	—	—	—
Other	25,000	1,731	—	3	—
Total current assets	1,386,632	314,027	5,896,408	3,103,374	1,897,702
<u>Noncurrent assets</u>					
Restricted cash and cash equivalents	172	—	—	—	—
Restricted pooled investments with State Treasury	340,496	59,861	—	—	—
Restricted investments	266,261	253,377	—	—	—
Long-term investments	—	—	10,058,927	11,546,299	—
Advances to other funds	50,000	—	—	—	—
Lease receivables, net	—	—	—	—	—
Other loans and notes receivable, net	74,511	—	—	1,794,661	—
Right to use leased assets	—	31,228	—	—	—
Accumulated amortization	—	(8,422)	—	—	—
Capital assets					
Land and other non-depreciable assets	1,415,682	493	—	—	—
Non-depreciable infrastructure	13,124,918	—	—	—	—
Buildings, equipment, and other depreciable assets	1,598,146	13,260	108	122	—
Accumulated depreciation	(705,303)	(9,856)	(71)	(91)	—
Construction work in progress	1,391,889	—	—	8,196	—
Other	—	32,117	—	—	—
Total noncurrent assets	17,556,772	372,058	10,058,964	13,349,187	—
Total assets	18,943,404	686,085	15,955,372	16,452,561	1,897,702
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	15,452	—	—	—	—
Pension-related items	—	7,558	581	1,238	—
Other postemployment benefits	—	5,241	87	151	—
Total deferred outflows of resources	15,452	12,799	668	1,389	—

The notes to the financial statements are an integral part of this statement.

Nonmajor Enterprise Funds	Totals 6/30/22	Internal Service Funds
\$ 34,877	\$ 142,151	\$ 11,653
439,149	3,286,243	883,724
7,870	8,171,395	58,298
30,792	1,205,074	37,353
—	—	142
14,248	282,215	22,409
220	511	649
1	10,977	—
1,906	28,640	8
529,063	13,127,206	1,014,236
—	172	—
—	400,357	—
—	519,638	—
89,178	21,694,404	—
—	50,000	—
—	—	881
137	1,869,309	—
24,565	55,793	113,423
(4,433)	(12,855)	(1,288)
—	1,416,175	296
—	13,124,918	—
384,568	1,996,204	1,570,896
(102,963)	(818,284)	(711,709)
940	1,401,025	33,187
11,659	43,776	—
403,651	41,740,632	1,005,686
932,714	54,867,838	2,019,922
—	15,452	2,797
43,798	53,175	26,571
36,968	42,447	21,298
80,766	111,074	50,666

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	65,526	10,974	30,121	1,030,372	34,947
Accrued prize liability	—	270,950	—	—	—
Due to other governments	—	—	—	—	2,060
Due to other funds	152,579	48,638	423	55,942	1,506
Due to component units/primary	—	—	—	—	—
Compensated absences	—	769	72	104	—
Installment purchases/leases	14,359	3,981	—	—	—
Bonds payable	—	—	—	—	—
Bonds payable from restricted assets	147,650	—	—	—	—
Deposits	127,338	—	—	—	—
Claims payable	—	—	1,512,861	—	—
Obligations under security lending agreements	81,228	20,654	—	1,473,121	—
Certificates of participation payable	—	—	—	—	—
Tuition and housing benefits payable	—	—	—	523,375	—
Pension liability	—	32	2	4	—
Other postemployment benefits	—	505	7	8	—
Total current liabilities	588,680	356,503	1,543,486	3,082,926	38,513
<u>Noncurrent liabilities</u>					
Advances from other funds	132,604	—	—	—	—
Accrued prize liability	—	220,724	—	—	—
Bonds payable	3,275,409	—	3,500,000	—	—
Certificates of participation payable	—	—	—	—	—
Installment purchases/leases	353,792	19,222	—	—	—
Deposits	153	—	—	—	—
Compensated absences	—	2,704	208	708	—
Tuition and housing benefits payable	—	—	—	9,277,599	—
Pension liability	—	9,819	717	1,164	—
Other postemployment benefits liability	—	28,358	407	466	—
Other	—	—	—	—	—
Total noncurrent liabilities	3,761,958	280,827	3,501,332	9,279,937	—
Total liabilities	4,350,638	637,330	5,044,818	12,362,863	38,513
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	125,229	—	—	—	—
Amount deferred on refunding of debt	16,047	—	—	—	—
Lease related	—	—	—	—	—
Pension-related items	—	15,761	1,030	1,775	—
Other postemployment benefits	—	13,272	165	251	—
Total deferred inflows of resources	141,276	29,033	1,195	2,026	—
NET POSITION					
Net investment in capital assets	13,248,786	3,897	37	8,227	—
Restricted for Reemployment Assistance	—	—	—	—	1,859,189
Restricted for Lottery	—	91,978	—	—	—
Restricted for Hurricane Catastrophe Fund	—	—	10,909,990	—	—
Restricted for Prepaid College Program	—	—	—	4,080,834	—
Restricted for Transportation	283,558	—	—	—	—
Restricted - other	—	—	—	—	—
Unrestricted	934,598	(63,354)	—	—	—
Total net position	\$ 14,466,942	\$ 32,521	\$ 10,910,027	\$ 4,089,061	\$ 1,859,189

Nonmajor Enterprise Funds	Totals 6/30/22	Internal Service Funds
35,520	1,207,460	277,369
—	270,950	—
—	2,060	6
10,370	269,458	68,357
234	234	281
5,477	6,422	1,588
5,200	23,540	6,066
—	—	14,260
—	147,650	—
24,176	151,514	203,459
—	1,512,861	—
22,950	1,597,953	47,295
—	—	35,085
—	523,375	—
219	257	96
2,933	3,453	1,120
107,079	5,717,187	654,982
—	132,604	500
—	220,724	—
—	6,775,409	125,262
—	—	370,255
20,452	393,466	45,305
207,579	207,732	—
17,023	20,643	5,347
—	9,277,599	—
61,571	73,271	32,884
164,704	193,935	62,909
10,362	10,362	—
481,691	17,305,745	642,462
588,770	23,022,932	1,297,444
—	125,229	—
—	16,047	5,661
—	—	1,023
78,966	97,532	55,362
73,936	87,624	64,838
152,902	326,432	126,884
109,036	13,369,983	344,948
—	1,859,189	—
—	91,978	—
—	10,909,990	—
—	4,080,834	—
—	283,558	—
5,764	5,764	239,741
157,008	1,028,252	61,571
\$ 271,808	\$ 31,629,548	\$ 646,260

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
OPERATING REVENUES				
Sales - nonstate	\$ 9,542	\$ 9,331,215	\$ 1,211,660	\$ 393,589
Change in actuarial value of contract premiums	—	—	—	(91,710)
Fees	1,283,436	—	1	1,010
Fees and charges	—	—	—	—
Sales - state	—	—	46	225
Rents and royalties - nonstate	9,133	522	—	—
Rents - state	—	—	—	—
Fines, forfeits, settlements and judgments	63	96	—	—
Other	314	—	—	—
Total operating revenues	1,302,488	9,331,833	1,211,707	303,114
OPERATING EXPENSES				
Benefit payments	—	—	—	—
Payment of lottery winnings	—	6,245,455	—	—
Commissions on lottery sales	—	523,132	—	—
Contractual services	709,937	168,651	4,339	374,193
Change in actuarial value of contract benefit payments	—	—	—	(1,501,068)
Insurance claims expense	—	—	—	—
Personal services	19,761	26,047	1,790	2,954
Amortization and depreciation	84,769	4,487	16	21
Materials and supplies	27,132	1,516	19	19
Repairs and maintenance	—	843	—	—
Basic services	—	1,481	145	200
Interest and fiscal charges	—	186	—	4
Total operating expenses	841,599	6,971,798	6,309	(1,123,677)
Operating income (loss)	460,889	2,360,035	1,205,398	1,426,791
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	—	—	—	—
Investment earnings (losses)	(43,612)	(30,306)	(412,241)	(2,019,512)
Interest and fiscal charges	(122,965)	(10,847)	(65,146)	(15,172)
Fines, forfeits, judgments and settlements	2,047	—	264	290
Property disposition gain (loss)	(3,446)	(4,067)	—	(1)
Grant expense and client benefits	—	—	—	—
Gain (loss) on early extinguishment of debt	—	—	—	—
Other	—	—	—	—
Total nonoperating revenues (expenses)	(167,976)	(45,220)	(477,123)	(2,034,395)
Income (loss) before transfers and contributions	292,913	2,314,815	728,275	(607,604)
Operating transfers in	151,156	39	—	—
Operating transfers out	(73,700)	(2,333,647)	(13,500)	(16,111)
Capital contributions	681,770	—	—	—
Change in net position	1,052,139	(18,793)	714,775	(623,715)
Total net position - beginning, as restated (Note 2)	13,414,803	51,314	10,195,252	4,712,776
Total net position - ending	\$ 14,466,942	\$ 32,521	\$ 10,910,027	\$ 4,089,061

The notes to the financial statements are an integral part of this statement.

Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/22	Internal Service Funds
\$ —	\$ 104,772	\$ 11,050,778	\$ 29,081
—	—	(91,710)	—
660,102	305,716	2,250,265	—
—	—	—	12
—	71,961	72,232	2,834,007
—	—	9,655	—
—	1,094	1,094	68,384
—	9,938	10,097	801
—	44,786	45,100	17,957
660,102	538,267	13,347,511	2,950,242
1,702,423	—	1,702,423	—
—	—	6,245,455	—
—	—	523,132	—
—	122,228	1,379,348	537,224
—	—	(1,501,068)	—
—	—	—	2,574,784
—	194,566	245,118	47,063
—	20,112	109,405	34,759
—	6,498	35,184	3,897
—	2,161	3,004	1,992
—	33,292	35,118	6,617
—	3,477	3,667	1,009
1,702,423	382,334	8,780,786	3,207,345
(1,042,321)	155,933	4,566,725	(257,103)
1,298,727	585	1,299,312	—
55,830	(9,935)	(2,459,776)	(21,665)
—	(909)	(215,039)	(14,670)
—	1	2,602	—
—	8	(7,506)	(209)
—	(835)	(835)	—
—	295	295	—
21,622	(1,389)	20,233	234,577
1,376,179	(12,179)	(1,360,714)	198,033
333,858	143,754	3,206,011	(59,070)
531,912	27,151	710,258	24,154
(12,562)	(125,994)	(2,575,514)	(47,699)
—	1	681,771	71
853,208	44,912	2,022,526	(82,544)
1,005,981	226,896	29,607,022	728,804
\$ 1,859,189	\$ 271,808	\$ 31,629,548	\$ 646,260

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,271,776	\$ 9,319,257	\$ 1,211,276
Cash paid to vendors	(710,841)	(696,437)	(5,081)
Cash paid to employees	(19,760)	(28,659)	(1,794)
Cash received/(paid) for grants	15,863	—	—
Lottery prizes	—	(6,304,228)	—
Cash paid for insurance claims	—	—	(1,052,980)
Reemployment assistance	—	—	—
Net cash provided (used) by operating activities	557,038	2,289,933	151,421
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	458,083	(2,392,639)	(13,500)
Advances from or repayment from other funds	3,075	—	—
Advances, grants or loans (to) from or repayment from others	—	—	8
Cash received from sale of bonds	—	—	—
Payment of bonds or loans (principal and interest)	(5,570)	—	(718,277)
Cash received from noncapital grants or donations	—	—	—
Net cash provided (used) by noncapital financing activities	455,588	(2,392,639)	(731,769)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from sale or lease of capital assets	119	—	—
Cash received from the issuance of debt	932,061	—	—
Payment of bond principal	(369,601)	—	—
Payment of principal on installment purchases/leases	—	—	—
Payment of interest on bonds/installment purchases/leases	(141,887)	—	—
Purchase or construction of capital assets	(756,629)	(4,887)	(3)
Line of credit draws/(payments)	—	—	—
Net cash provided (used) by capital and related financing activities	(335,937)	(4,887)	(3)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	51,669	20,654	—
Proceeds from the sale or maturity of investments	2,252,144	22,801	22,316,286
Cash paid to grand prize winners upon maturity of grand prize investments	—	(22,801)	—
Investment earnings	(49,150)	(6,212)	127,940
Purchase of investments	(2,277,972)	(20,645)	(21,863,875)
Net cash provided (used) by investing activities	(23,309)	(6,203)	580,351
Net increase (decrease) in cash and cash equivalents	653,380	(113,796)	—
Cash and cash equivalents - beginning	647,048	442,217	—
Cash and cash equivalents - ending	\$ 1,300,428	\$ 328,421	\$ —

The notes to the financial statements are an integral part of this statement.

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/22	Internal Service Funds
\$ 537,549	\$ 550,450	\$ 482,590	\$ 13,372,898	\$ 2,902,944
(581,764)	—	(190,333)	(2,184,456)	(614,709)
(2,694)	—	(196,479)	(249,386)	(75,522)
—	—	57,471	73,334	1
—	—	—	(6,304,228)	—
—	—	—	(1,052,980)	(2,539,782)
—	(1,560,106)	—	(1,560,106)	—
(46,909)	(1,009,656)	153,249	2,095,076	(327,068)
(16,111)	519,350	(98,620)	(1,543,437)	241,428
—	—	—	3,075	(200)
—	—	—	8	—
—	—	—	—	—
—	—	—	(723,847)	—
—	1,298,727	585	1,299,312	87
(16,111)	1,818,077	(98,035)	(964,889)	241,315
—	—	23	142	—
—	—	—	932,061	—
—	—	—	(369,601)	(16,157)
—	—	(3,049)	(3,049)	—
—	—	(56)	(141,943)	(1,265)
(7,515)	—	(1,680)	(770,714)	(12,945)
—	—	—	—	—
(7,515)	—	(4,762)	(353,104)	(30,367)
6,575	—	7,045	85,943	14,354
19,010,527	—	84,524	43,686,282	107,098
—	—	—	(22,801)	—
174,329	55,830	(10,383)	292,354	(22,338)
(19,100,510)	—	(107,195)	(43,370,197)	—
90,921	55,830	(26,009)	671,581	99,114
20,386	864,251	24,443	1,448,664	(17,006)
72,168	769,243	449,583	2,380,259	912,383
\$ 92,554	\$ 1,633,494	\$ 474,026	\$ 3,828,923	\$ 895,377

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)
Reconciliation of operating income (loss) to net cash
provided (used) by operating activities

	Transportation	Lottery	Hurricane Catastrophe Fund
Operating income (loss)	\$ 460,889	\$ 2,360,035	\$ 1,205,398
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	84,769	4,487	16
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(4,831)	(11,023)	(1,305)
(Increase) decrease in due from other funds	(18,244)	—	—
Increase (decrease) in allowance for uncollectibles	—	(741)	1,246
(Increase) decrease in inventories	(1,349)	790	—
(Increase) decrease in future contract premiums and other receivables	—	—	—
(Increase) decrease in other noncurrent assets	—	161	—
Increase (decrease) in accounts payable	(7,449)	(2,229)	(495)
Increase (decrease) in compensated absences	—	(219)	7
Increase (decrease) in due to other funds	13,346	—	—
Increase (decrease) in tuition and housing benefits payable	—	—	—
Increase (decrease) in other noncurrent liability	—	—	—
(Increase) decrease in deposits and prepaid items	25,000	—	2
Increase (decrease) in unearned revenue	4,907	—	—
Increase (decrease) in prize liability	—	(58,934)	—
Increase (decrease) in pension liability and deferrals	—	(2,279)	(92)
Increase (decrease) in OPEB liability and deferrals	—	(115)	6
Increase (decrease) in claims payable	—	—	(1,053,362)
Net cash provided (used) by operating activities	\$ 557,038	\$ 2,289,933	\$ 151,421
Noncash investing, capital, and financing activities			
Borrowing under lease or installment purchase	\$ 37,375	\$ —	\$ —
Change in fair value of investments	(56,702)	(52,549)	(501,312)
Contribution of capital assets	66,173	—	—
Other noncash items	49,115	—	—

The notes to the financial statements are an integral part of this statement.

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/22	Internal Service Funds
\$ 1,426,791	\$ (1,042,321)	\$ 155,933	\$ 4,566,725	\$ (257,103)
21	—	20,112	109,405	34,759
(2,856)	(149,799)	14,306	(155,508)	(106,457)
56	—	(2,756)	(20,944)	(192)
—	659,134	(3,577)	656,062	12,578
—	—	—	(559)	—
94,576	—	—	94,576	—
—	—	5	166	—
(75,802)	(476,670)	(60,176)	(622,821)	34,100
226	—	(2,009)	(1,995)	(2,143)
10,041	—	(15)	23,372	(418)
(1,501,068)	—	—	(1,501,068)	—
—	—	(2,134)	(2,134)	1,009
1,216	—	(6)	26,212	(8)
—	—	41,388	46,295	(26,558)
—	—	—	(58,934)	—
(110)	—	(7,901)	(10,382)	(12,139)
—	—	79	(30)	(4,496)
—	—	—	(1,053,362)	—
<u>\$ (46,909)</u>	<u>\$ (1,009,656)</u>	<u>\$ 153,249</u>	<u>\$ 2,095,076</u>	<u>\$ (327,068)</u>

\$ —	\$ —	\$ —	\$ 37,375	\$ —
(2,335,127)	—	1,564	(2,944,126)	—
—	—	—	66,173	—
—	—	48,716	97,831	—

FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS

Individual fund descriptions and financial statements begin on page 267.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Individual fund descriptions and financial statements begin on page 273.

INVESTMENT TRUST FUNDS

Individual fund descriptions and financial statements begin on page 279.

CUSTODIAL FUNDS

Individual fund descriptions and financial statements begin on page 283.

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STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Private- Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Custodial Funds	Totals 6/30/22
ASSETS					
Cash and cash equivalents	\$ 14,274	\$ 102,360	\$ 3,060,164	\$ 137,840	\$ 3,314,638
Pooled investments with State Treasury	356,327	220,670	845,779	1,750,991	3,173,767
Total cash and cash equivalents	370,601	323,030	3,905,943	1,888,831	6,488,405
<u>Investments</u>					
Certificates of deposit	—	403,384	4,029,019	—	4,432,403
U.S. government & federally guaranteed obligations	68,125	11,791,550	153,456	—	12,013,131
Federal agencies	78,743	7,823,886	—	—	7,902,629
Commercial paper	59,693	5,305,755	8,045,263	—	13,410,711
Repurchase agreements	—	1,200,000	319,169	—	1,519,169
Bonds and notes	122,222	12,115,385	265,125	—	12,502,732
International bonds and notes	29,004	3,089,979	—	—	3,118,983
Real estate contracts	—	16,722,306	—	—	16,722,306
Mutual fund investments	656,779	13,399,413	—	—	14,056,192
Money market and short-term investments	120,631	550,950	556,126	32,032	1,259,739
Domestic equity	3,994	51,031,355	—	—	51,035,349
Alternative investments	—	40,680,622	—	—	40,680,622
International equity	—	29,548,246	—	—	29,548,246
International equity commingled	—	5,525,991	—	—	5,525,991
Deferred compensation annuities	—	10,883	—	—	10,883
Self-directed brokerage investments	—	1,031,641	—	—	1,031,641
Other investments	64	6,866	—	670	7,600
Total investments	1,139,255	200,238,212	13,368,158	32,702	214,778,327
<u>Receivables</u>					
Accounts receivable	595	47,587	—	520,483	568,665
State contributions receivable	—	69,891	—	—	69,891
Nonstate contributions receivable	—	425,947	—	—	425,947
Interest receivable	5,027	138,096	9,839	344	153,306
Dividends receivable	147	292,585	—	—	292,732
Pending investment sales	28,886	887,419	—	—	916,305
Foreign currency contracts receivable	—	146,481	—	—	146,481
Futures trade equity	20	—	—	—	20
Due from state funds	56,385	125,190	—	288,945	470,520
Due from other governments	—	—	—	—	—
Total receivables	91,060	2,133,196	9,839	809,772	3,043,867
Security lending collateral	—	943,509	—	—	943,509
Advances to other funds	1,155,877	—	—	—	1,155,877
Advances to other entities	—	—	—	180,225	180,225
Right to use leased assets	—	17,596	—	—	17,596
Accumulated amortization	—	(895)	—	—	(895)
Capital assets	268	1,166	—	585	2,019
Accumulated depreciation	(206)	(520)	—	(492)	(1,218)
Other assets	—	9,854	24	2,849	12,727
Total assets	2,756,855	203,665,148	17,283,964	2,914,472	226,620,439
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	1,436	108	—	—	1,544
Other postemployment benefits	692	4,693	—	—	5,385
Total deferred outflows of resources	2,128	4,801	—	—	6,929

The notes to the financial statements are an integral part of this statement.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Private- Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Custodial Funds	Totals 6/30/22
LIABILITIES					
Accounts payable and accrued liabilities	\$ 5,761	\$ 158,376	\$ 9,635	\$ 575,142	\$ 748,914
Due to other funds	378	108,214	136	280,014	388,742
DROP	—	295,814	—	—	295,814
Pending investment purchases	105,987	3,038,274	39,411	—	3,183,672
Short sell obligations	—	36,041	—	—	36,041
Foreign currency contracts payable	—	146,378	—	—	146,378
Broker rebate fees	—	942	—	—	942
Due to other governments	—	—	74	1,292,535	1,292,609
Obligations under security lending agreements	35,317	963,819	53,917	18,640	1,071,693
Claims payable	—	—	—	30,344	30,344
Deposits payable	55,174	—	—	168,226	223,400
Compensated absences	586	1,281	—	—	1,867
Installment purchases/leases	—	823	—	—	823
Other liabilities	—	16,013	—	—	16,013
Pension liability	1,346	180	—	—	1,526
Other postemployment benefits liability	4,400	14,376	—	—	18,776
Total liabilities	208,949	4,780,531	103,173	2,364,901	7,457,554
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	—	76,500	—	76,162	152,662
Pension-related items	1,712	283	—	—	1,995
Other postemployment benefits	1,994	6,698	—	—	8,692
Total deferred inflows of resources	3,706	83,481	—	76,162	163,349
NET POSITION					
Restricted for pension benefits	—	193,145,672	—	—	193,145,672
Restricted for other postemployment benefits	—	5,660,265	—	—	5,660,265
Restricted for individuals, organizations and other governments	2,546,328	—	17,180,791	473,409	20,200,528
Total Net Position	\$ 2,546,328	\$198,805,937	\$ 17,180,791	\$ 473,409	\$219,006,465

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investments Trust Funds	Custodial Funds	Totals 6/30/22
ADDITIONS					
<u>Contributions and other deposits</u>					
Pension fund employer contributions - state	\$ —	\$ 1,013,367	\$ —	\$ —	\$ 1,013,367
Pension fund employer contributions - nonstate	—	4,451,652	—	—	4,451,652
Pension fund employee contributions	—	1,124,114	—	—	1,124,114
Other contributions	—	168,573	—	6,539	175,112
Purchase of time by employees	—	5,553	—	—	5,553
Fees	771	1,884	—	1,721,217	1,723,872
Grants and contributions	247,831	—	—	2,567	250,398
Flexible benefits contributions	—	342,104	—	—	342,104
Fines, forfeits, settlements and judgments	196	52	84	87,567	87,899
Unclaimed property remittances	638,743	—	—	—	638,743
Receivership assets acquired	—	—	—	252,248	252,248
Transfers in from state funds	17,881	968,067	—	1,270	987,218
Total contributions and other deposits	905,422	8,075,366	84	2,071,408	11,052,280
<u>Investment income</u>					
Interest income	3,767	1,382,731	39,345	3,135	1,428,978
Dividends	11,244	2,007,862	—	—	2,019,106
Other investment income (loss)	—	4,235,588	—	(12)	4,235,576
Net increase (decrease) in fair market value	(159,590)	(23,689,652)	1,519	1	(23,847,722)
Total investment income (loss)	(144,579)	(16,063,471)	40,864	3,124	(16,164,062)
Investment activity expense	(3,038)	(760,761)	(6,408)	—	(770,207)
Net income (loss) from investing activity	(147,617)	(16,824,232)	34,456	3,124	(16,934,269)
<u>Security lending activity</u>					
Security lending income	—	24,032	—	—	24,032
Security lending expense	—	(4,221)	—	—	(4,221)
Net income from security lending	—	19,811	—	—	19,811
Total net investment income (loss)	(147,617)	(16,804,421)	34,456	3,124	(16,914,458)
Other additions	1,062,841	25,528	—	10,825,862	11,914,231
Total additions	1,820,646	(8,703,527)	34,540	12,900,394	6,052,053
DEDUCTIONS					
Benefit payments	—	14,348,530	—	—	14,348,530
Gain/(loss) on disposal of fixed assets	—	895	—	—	895
Insurance claims expense	—	9,550	—	76,321	85,871
Capital outlay	13	—	—	—	13
Supplemental insurance payments	—	98,843	—	—	98,843
Lease liabilities issued	(8)	—	—	—	(8)
Flexible reimbursement payments	—	27,027	—	—	27,027
Life insurance premium payments	—	36,128	—	—	36,128
Remittances to annuity companies	—	218,169	—	—	218,169
Program contribution refunds	—	28,344	—	—	28,344
Interest expense	1,945	5	—	403	2,353
Student loan default payments	61,265	—	—	—	61,265
Payments to unclaimed property claimants	383,335	—	—	—	383,335
Distribution to State School Fund	218,892	—	—	—	218,892
Administrative expense	13,455	26,756	51	38,653	78,915
Property disposition gain (loss)	1	31	—	—	32
Interest and fiscal charges	—	189	—	—	189
Transfers out to state funds	2,250	971,685	—	1,917	975,852
Other deductions	1,174,193	17	—	12,614,723	13,788,933
Total deductions	1,855,341	15,766,169	51	12,732,017	30,353,578
<u>Depositor activity</u>					
Deposits	754,452	—	27,743,336	2,339	28,500,127
Withdrawals	(1,042,125)	—	(27,044,628)	(2,339)	(28,089,092)
Excess (deficiency) of deposits over withdrawals	(287,673)	—	698,708	—	411,035
Change in net position	(322,368)	(24,469,696)	733,197	168,377	(23,890,490)
Net position - beginning, restated (Note 2)	2,868,696	223,275,633	16,447,594	305,032	242,896,955
Net position - ending	\$ 2,546,328	\$198,805,937	\$ 17,180,791	\$ 473,409	\$219,006,465

The notes to the financial statements are an integral part of this statement.

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COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

FLORIDA HOUSING FINANCE CORPORATION

Pursuant to Section 420.504, Florida Statutes, this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida.

UNIVERSITY OF FLORIDA

University of Florida is a major, public, comprehensive, land-grant, research university with a main campus location in Gainesville, Florida.

CITIZENS PROPERTY INSURANCE CORPORATION

Pursuant to Section 627.351(6), Florida Statutes, this corporation was created to provide certain residential property, non-residential property, and casualty insurance coverage to qualified risks in the State of Florida under specified circumstances.

Nonmajor Component Units

Nonmajor component units are presented beginning on page 287.

STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2022
(in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/22
ASSETS					
Cash and cash equivalents	\$ 271,144	\$ 401,304	\$ 1,105,399	\$ 1,650,366	\$ 3,428,213
Pooled investments with State Treasury	973,414	1,144,402	—	2,253,666	4,371,482
Other investments	2,053,649	1,890,712	8,167,899	5,943,916	18,056,176
Receivables, net	217,038	1,021,429	239,528	1,183,626	2,661,621
Lease receivables, net	—	9,016	—	412,255	421,271
Due from component units/primary	—	126,094	—	495,741	621,835
Inventories	—	87,041	—	37,550	124,591
Restricted cash and cash equivalents	—	3,453	—	514,491	517,944
Restricted pooled investments with State Treasury	—	245,922	—	419,622	665,544
Restricted investments	—	3,680,950	—	4,622,869	8,303,819
Other loans and notes receivable, net	2,293,570	18,576	—	98,799	2,410,945
Other assets	7,868	402,040	9,077	477,611	896,596
Right to use leases assets, net of amortization	—	209,530	—	429,221	638,751
Capital assets, net	—	4,602,019	823	23,359,189	27,962,031
Total assets	5,816,683	13,842,488	9,522,726	41,898,922	71,080,819
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	18,153	—	6,903	25,056
Amount deferred on refunding of debt	—	29,040	—	25,218	54,258
Lease related	—	—	—	2,355	2,355
Pension-related items	—	320,190	—	1,040,311	1,360,501
Other postemployment benefits	—	187,291	—	705,285	892,576
Asset retirement obligations	—	8,975	—	—	8,975
Total deferred outflows of resources	—	563,649	—	1,780,072	2,343,721
LIABILITIES					
Accounts payable and accrued liabilities	25,273	651,009	1,168,772	1,175,081	3,020,135
Due to component units/primary	—	50,997	—	56,031	107,028
Long-term liabilities					
Due within one year	330,525	493,189	1,224,843	832,376	2,880,933
Due in more than one year	2,239,524	3,934,190	431,056	8,740,732	15,345,502
Total liabilities	2,595,322	5,129,385	2,824,671	10,804,220	21,353,598
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	—	—	109,030	109,030
Amount deferred on refunding of debt	—	1,713	—	111	1,824
Lease related	—	36,340	—	431,784	468,124
Pension-related items	—	606,222	—	2,026,160	2,632,382
Other postemployment benefits	—	420,978	—	904,275	1,325,253
Irrevocable split-interest agreements	—	17,277	—	43,164	60,441
Total deferred inflows of resources	—	1,082,530	—	3,514,524	4,597,054
NET POSITION					
Net investment in capital assets	—	2,867,412	823	20,812,859	23,681,094
Restricted for					
Debt service	—	7,228	—	58,291	65,519
Other	3,051,015	798,278	—	4,664,915	8,514,208
Funds held for permanent endowment					
Expendable	—	965,981	—	1,225,489	2,191,470
Nonexpendable	—	1,535,689	—	2,554,567	4,090,256
Unrestricted	170,346	2,019,634	6,697,232	44,129	8,931,341
Total net position	\$ 3,221,361	\$ 8,194,222	\$ 6,698,055	\$ 29,360,250	\$ 47,473,888

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

Functions/Programs	Expenses	Program Revenues			Florida Housing Finance Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Florida Housing Finance Corporation	\$ 213,045	\$ 88,751	\$ —	\$ —	\$ (124,294)
University of Florida	7,164,864	5,243,710	1,240,527	36,635	—
Citizens Property Insurance Corporation	1,199,169	1,021,360	—	—	—
Nonmajor component units	14,226,893	3,578,634	5,748,799	871,813	—
Total component units	<u>\$ 22,803,971</u>	<u>\$ 9,932,455</u>	<u>\$ 6,989,326</u>	<u>\$ 908,448</u>	<u>(124,294)</u>
<u>General revenues</u>					
Property taxes					—
Investment earnings (losses)					—
Gain (loss) on sale of capital assets					—
Payments from the State of Florida					—
Miscellaneous					165,033
Contributions to permanent funds					—
Total general revenues and contributions					<u>165,033</u>
Change in net position					40,739
Net position - beginning, as restated (Note 2)					<u>3,180,622</u>
Net position - ending					<u>\$ 3,221,361</u>

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/22
\$ —	\$ —	\$ —	\$ (124,294)
(643,992)	—	—	(643,992)
—	(177,809)	—	(177,809)
—	—	(4,027,647)	(4,027,647)
(643,992)	(177,809)	(4,027,647)	(4,973,742)
—	—	516,423	516,423
(343,414)	(107,455)	(708,612)	(1,159,481)
7,242	—	(32,035)	(24,793)
957,539	—	4,185,872	5,143,411
392,808	—	512,574	1,070,415
53,718	—	68,442	122,160
1,067,893	(107,455)	4,542,664	5,668,135
423,901	(285,264)	515,017	694,393
7,770,321	6,983,319	28,845,233	46,779,495
\$ 8,194,222	\$ 6,698,055	\$ 29,360,250	\$ 47,473,888

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The State of Florida's (the state's) financial reporting entity includes the primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, commissions and boards of the Executive Branch, and various offices relating to the Judicial Branch) and its component units.

Component units, as defined in Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*, and Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, are legally separate organizations for which the elected officials of the state are financially accountable. Financial accountability is the ability of the state to appoint a voting majority of an organization's governing board and to impose its will upon the organization. When the state does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the financial reporting entity if: (1) an organization is fiscally dependent upon the state because its resources are held for the direct benefit of the state or can be accessed by the state and (2) the potential exists for the organization to provide specific financial benefits to, or impose specific financial burdens on the state. In addition, component units can be other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading.

Blended Component Units

A component unit is reported as blended when either (1) the component unit's governing body is substantively the same as the governing body of the state, *and* (a) there is a financial benefit or burden relationship between the governing body of the state and the component unit, *or* (b) management of the governing body of the state has operational responsibility for the component unit, *or* (2) the component unit provides services entirely, or almost entirely, to the state or otherwise exclusively, or almost exclusively, benefits the state, *or* (3) the component unit's outstanding debt is expected to be repaid entirely or almost entirely with resources of the state.

The following component units provide services entirely or almost entirely to the primary government, or have outstanding debt that is expected to be paid entirely or almost entirely with state resources:

- Career Source Florida, Inc.
- Corrections Foundation, Inc.
- Florida Board of Governors
- Florida Citrus Commission (Department of Citrus)
- Florida Clerks of Court Operations Corporation
- Florida Commission on Community Service (Volunteer Florida)
- Florida Department of Transportation Financing Corporation*
- Florida Engineers Management Corporation
- Florida Prepaid College Board
- Florida School for the Deaf and the Blind
- Florida Surplus Lines Service Office
- Florida Water Pollution Control Financing Corporation
- Inland Protection Financing Corporation
- Prescription Drug Monitoring Program Foundation*
- Scripps Florida Funding Corporation
- Space Florida
- State Board of Administration (SBA)
- State Board of Education (SBE)
- Wireless Emergency Telephone System

Blended component units that are considered major funds are reported in separate columns in the fund financial statements. Other blended component units that are considered non-major funds are reported with other funds in the appropriate columns in the fund financial statements. In addition, the financial data for some blended component units are reported in more than one fund type, some of which are considered major and others that are considered non-major. Refer to Section D of this note for more information on the determination criteria for major funds and a list of major funds and fund types.

* The state's financial statements do not include amounts relating to these component units. The assets of these component units at June 30, 2022, are approximately \$1.2 million.

Discretely Presented Component Units

Component units that are not blended are discretely presented. In the government-wide financial statements, discrete presentation entails reporting component unit financial data in a column separate from the financial data of the state.

In addition, financial data for discretely presented component units that are considered major are reported in separate columns in the basic financial statements for component units. Discretely presented component units that are considered non-major are combined and reported in one column in the component unit financial statements and are aggregated by type in the combining statements. The state's financial statements are reported for the fiscal year ended June 30, 2022. The state's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some component units have a fiscal year other than June 30. Accordingly, amounts reported by the state as due from and to component units on the statement of net position may not agree with amounts reported by the component units as due from and to the state. Refer to Section D of this note for more information on major fund determination and presentation. The state's discretely presented component units are grouped into the following categories:

State Universities and Colleges. State universities and colleges receive funding from the state. The State University System is governed by the Florida Board of Governors. The Florida College System is governed by the State Board of Education. Each university and college is administered by a local board of trustees. All state universities and colleges have a June 30 year-end. Component units included in this category are:

State Universities

Major:

- University of Florida¹

Non-major:

- Florida Agricultural and Mechanical University
- Florida Atlantic University
- Florida Gulf Coast University
- Florida International University
- Florida Polytechnic University
- Florida State University
- New College of Florida
- University of Central Florida
- University of North Florida
- University of South Florida
- University of West Florida

Florida College System Institutions

Non-major:

- Broward College
- Chipola College
- College of Central Florida
- Daytona State College
- Eastern Florida State College
- Florida Gateway College
- The College of the Florida Keys
- Florida State College at Jacksonville
- Florida SouthWestern State College
- Gulf Coast State College
- Hillsborough Community College
- Indian River State College
- Lake-Sumter State College
- Miami Dade College
- North Florida College
- Northwest Florida State College
- Palm Beach State College
- Pasco-Hernando State College
- Pensacola State College
- Polk State College
- Santa Fe College

- Seminole State College of Florida
- South Florida State College
- St. Johns River State College
- St. Petersburg College
- State College of Florida, Manatee-Sarasota
- Tallahassee Community College
- Valencia College

¹ Significant transactions occurring during the 2021-22 fiscal year between the University of Florida and the state totaled \$982 million. These funds represent state appropriated funds to the University of Florida.

Florida Housing Finance Corporation (Major). Pursuant to Section 420.504, Florida Statutes (F.S.), this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida. This entity has a December 31 year-end. Significant transactions occurring during the 2021-22 fiscal year between the Florida Housing Finance Corporation and the state included revenues of state documentary stamp taxes totaling \$496 million and transfers to state agencies of \$322 million.

Citizens Property Insurance Corporation (Major). Pursuant to Section 627.351(6), F.S., this corporation was created to provide certain residential property and casualty insurance coverage to qualified risks in the state under specified circumstances. This entity has a December 31 year-end. For additional information, refer to Note 17C.

Water Management Districts. Pursuant to Section 373.069, F.S., these districts were created to provide for the management and conservation of water and related land resources. In addition, the general regulatory and administrative functions of these districts are either fully or in part financed by general appropriations. Water management districts have a September 30 year-end. Component units included in this category are:

Non-major:

- Northwest Florida Water Management District
- St. Johns River Water Management District
- South Florida Water Management District
- Southwest Florida Water Management District
- Suwannee River Water Management District

Other. Additional discretely presented component units of the state include various foundations and not-for-profit organizations. The fiscal year-ends of these component units may vary. Component units included in this category are:

Non-major:

- Commission for Florida Law Enforcement Accreditation, Inc.*
- Enterprise Florida, Inc.
- Florida Agricultural Museum*
- Florida Agriculture Center and Horse Park Authority*
- Florida Agriculture in the Classroom, Inc.*
- Florida Alliance to End Human Trafficking*
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Board of Governors Foundation, Inc.*
- Florida Concrete Masonry Education Council*
- Florida Corrections Accreditation Commission, Inc.*
- Florida Education Foundation, Inc.*
- Florida Education Fund, Inc.
- Florida Foundation for Correctional Excellence*
- Florida Fund for Minority Teachers, Inc.*
- Florida Healthy Kids Corporation
- Florida is for Veterans, Inc.*
- Florida Mobile Home Relocation Corporation*
- Florida Patient's Compensation Fund
- Florida State Fair Authority
- Florida Telecommunications Relay, Inc.*
- Florida Tourism Industry Marketing Corporation, Inc.

- Florida Veterans Foundation, Inc.*
- Florida Virtual School
- Forestry Arson Alert Association, Inc.*
- Friends of Florida State Forests, Inc.*
- Higher Educational Facilities Financing Authority
- Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE)
- South Florida Regional Transportation Authority
- The Florida College System Foundation, Inc.*
- The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
- Triumph Gulf Coast, Inc.
- Wildlife Alert Reward Association*
- Wildlife Foundation of Florida, Inc.*

*The state's financial statements do not include amounts relating to several component units. The assets and revenues relating to these component units totaled \$133 million and \$47 million, respectively. These amounts represent less than one percent of total aggregate component unit assets and revenues.

Joint Ventures

A joint venture is an organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. Financial data for the state's joint ventures are not included in its statements. The state's joint ventures include the following:

Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission. Section 373.69, F.S., provides for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states.

Board of Control for Southern Regional Education. Section 1000.32, F.S., promotes the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation, and maintenance of educational facilities in the region.

Regional Planning Councils. Sections 186.501 through 186.513, F.S., the "Florida Regional Planning Council Act," provide for the creation of regional planning agencies to assist local governments in resolving their common problems. The regional planning councils are designated as the primary organizations to address problems and plan solutions that are of greater-than-local concern or scope. Participants in these councils are required by statutes to contribute to the support of these programs.

Southern States Energy Compact. Section 377.711, F.S., enacted this compact into law joining the State of Florida and other states to recognize that the proper employment and conservation of energy, and the employment of energy-related facilities, materials, and products can assist substantially in the industrialization of the South and the development of a balanced economy in the region. The State of Florida appropriates funds to support Florida's participation in the compact.

Interstate Commission of Nurse Licensure Compact Administrators. Section 464.0095, F.S., enacted this compact into law joining the State of Florida and other states with the general purpose to facilitate the states' responsibility to protect the public's health and safety with regard to nurse licensure and regulation. This compact is additionally purposed with facilitating the exchange of information among party states in the areas of nurse regulation, investigation, and adverse actions, promote compliance with the laws governing the practice of nursing, and decrease redundancies in the consideration and issuance of nurse licenses.

Related Organizations

Organizations for which the state is accountable because the state appoints a voting majority of the board, but for which the state is not financially accountable, are deemed “related organizations.” The state’s related organizations include certain transportation authorities, hospital districts, port authorities, aviation authorities and a financing corporation. The state is not financially accountable for any of these organizations; therefore, applicable financial data is not included in the state’s financial statements.

Contact

Financial statements of the component units that issue separate statements and other financial statement-related information may be obtained from:

Department of Financial Services
Bureau of Financial Reporting
Statewide Financial Reporting Section
200 East Gaines Street
Tallahassee, Florida 32399-0364
Telephone: (850) 413-5511
Department Website: <http://www.myfloridacfo.com>

Joint ventures may be contacted directly for their financial statements.

B. Basic Financial Statements

The state’s financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. The basic financial statements of the state, including its component units, are presented in the required format discussed below.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its discretely presented component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function. Some functions may include administrative overhead that is essentially indirect expenses of other functions. The state currently does not allocate those indirect expenses to other functions. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function. Taxes and other items not included in program revenues are reported in general revenues.

Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, while expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues collected within 60 days of the end of the current fiscal year are considered available, with the exception of certain tax revenues, which are considered available when collected within 30 days of year-end. For governmental funds, certain long-term liabilities, such as compensated absences, due within 60 days of the end of the current fiscal year are expected to be liquidated with expendable financial resources and are recognized within the applicable

governmental fund. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures for insurance and similar services extending over more than one fiscal year generally are accounted for as expenditures of the fiscal year of acquisition. Further, principal and interest on general long-term debt are recognized when due.

D. Basis of Presentation

Major Funds

GASB Codification Section 2200, *Annual Comprehensive Financial Report*, sets forth minimum criteria (percentage of the total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, revenues, or expenditures/expenses for either fund category or the governmental and enterprise funds combined) for the determination of major funds. GASB Codification Section 2200 further requires that the reporting government's main operating fund (the General Fund) always be reported as a major fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The non-major funds are combined in a column in the fund financial statements and detailed in the combining statements. The state reports the following major funds:

Major Governmental Funds

General Fund – a fund that accounts for the financial resources of the state, except those required to be accounted for in another fund. This is the state's primary operating fund.

Natural Resources, Environment, and Growth Management – a special revenue fund that accounts for the operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation. Transfers from other funds, pollutant tax collections, and federal grants are its major sources of revenue. Prior to 6/30/2018, this fund was reported as the Environment, Recreation, and Conservation Fund.

Public Education – a special revenue fund that includes funds used to operate education-related programs. Significant sources of revenue for this fund are federal grants, transfers from the Florida Lottery, and utility taxes.

Health and Family Services – a special revenue fund that includes funds used to operate various health and family service-related programs such as health care, elder affairs, and public assistance. Federal grants are the predominant sources of revenue for this fund.

Transportation – a special revenue fund that accounts for the maintenance and development of the state highway system and other transportation-related projects. It accounts for federal grants, motor fuel and aviation fuel taxes, automobile registration fees, and other revenues that are used for transportation purposes.

Major Business-type Funds

Transportation – an enterprise fund that primarily accounts for operations of Florida's Turnpike System.

Lottery – an enterprise fund that accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Educational Enhancement Trust Fund.

Florida Hurricane Catastrophe Fund – an enterprise fund that accounts for operations of the Florida Hurricane Catastrophe Fund, which was created to help cover insurer losses in the event of a hurricane disaster.

Prepaid College Program – an enterprise fund that accounts for payments from purchasers of the Florida Prepaid College Program. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

Reemployment Assistance – an enterprise fund that accounts for contributions, benefit payments, grants, loans, and investments for the Unemployment Compensation Fund, which was created to pay reemployment assistance benefits to eligible individuals.

Fund Types

Additionally, the state reports the following fund types:

Internal Service Funds

These proprietary-type funds are primarily used to report activities that provide goods or services to other funds or agencies within the state, rather than to the general public. Internal service funds are classified into the following categories:

- **Employee Health and Disability** – includes funds that account for state employee health and disability plans.
- **Data Centers** – includes funds that account for services provided by data processing centers operated by various agencies.
- **Communications and Facilities** – includes funds that primarily account for services provided by the Department of Management Services such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the SUNCOM (state communication) Network.
- **Other** – includes funds that account for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

Fiduciary Fund Types

Fiduciary funds are used to report assets held in a trustee or agency capacity for others; therefore, cannot be used to support the state's own programs.

Private-Purpose Trust Funds – funds that are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments including funds accounting for unclaimed property, federally guaranteed higher education loans, contributions to a college savings plan, and various others.

Pension and Other Employee Benefits Trust Funds – funds that are used to report resources that are required to be held in trust for the members and beneficiaries of the state's pension plans and other employee benefit plans.

Custodial Funds – funds that are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. For example, these funds account for asset and liability balances related to retiree health care, taxes collected and held by the Department of Revenue for other entities, and student funds held by the Florida School for the Deaf and the Blind.

Investment Trust Funds – funds that are used to report the external portion of investment pools reported by the state.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The state's cash includes cash on hand and on deposit in banks, including demand deposits, certificates of deposit, and time deposits. Most deposits are held by financial institutions qualified as public depositories under Florida law. Cash equivalents are short-term, highly liquid investments. For the purposes of GASB Codification Section 2450, *Cash Flows Statements*, pooled investments with the State Treasury are considered cash equivalents. Details of deposits are included in Note 3.

Investments

Florida Statutes authorize the state to invest in various instruments. The state reports investments in accordance with GASB Codification Section I50, *Investments*.

Investments with the State Treasury are reported at fair value which is obtained from independent pricing service providers. Independent pricing service providers use quoted market prices when available and employ various, sometimes proprietary, multifactor models for determining a security's fair value if it is not available from quoted market prices. Some securities, including U.S. government, municipal bonds, and mortgage-backed and asset-backed securities, are priced using evaluated bid prices. Evaluated bid prices are determined by taking bid prices and adjusting them by an evaluated adjustment factor derived from the independent pricing service's multifactor model. If values are not available using the above methods, secondary methods such as non-evaluated mid-price and bid price are used. If no source of values is available, cost or last available price from any source is used, or other pricing methodology as directed by the State Treasury.

Investments managed by the State Board of Administration (SBA) are reported in various funds. Investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost. Investments of the Local Government Surplus Funds Trust Fund are reported based on amortized cost. Other investments managed by the

SBA, including those related to the state's defined benefit and defined contribution pension plans, are reported at fair value at the reporting date.

For SBA-managed investments, fair values are obtained or estimated in accordance with the Global Pricing Guidelines established with the SBA's custodian, BNY Mellon Bank. BNY Mellon Bank uses a variety of independent pricing vendors and designates certain vendors as the primary source based on asset type, class or issue. BNY Mellon Bank monitors prices supplied by primary sources and may use a supplemental price source or change the primary price source if any of the following occurs:

- The price of a security is not received from the primary price source.
- The primary price source no longer prices a particular asset type, class, or issue.
- The SBA or its portfolio investment manager challenges a price and BNY Mellon Bank reviews the price with the vendor, who agrees that the price provided by that vendor may not be appropriate.
- The price from the primary source exceeds BNY Mellon Bank's price tolerance checkpoints and results in a vendor comparison review where another source is deemed to be more appropriate by the BNY Mellon Bank.

When a portfolio includes securities or instruments for which BNY Mellon Bank does not receive fair value information from its vendor price sources, BNY Mellon Bank uses a "non-vendor price source." Examples include, but are not limited to, limited partnerships or similar private investment vehicles that do not actively trade through established exchange mechanisms; other private placements where there is limited or no information in the market place; and unique fixed income and equity instruments. The SBA does not provide direction regarding the substitution of prices in such instances where securities or instruments are in the portfolio of an investment manager appointed by the SBA. In such cases where the SBA directed the purchase of such securities or instruments, BNY Mellon may obtain the non-vendor prices by contacting the SBA only if it is not commercially reasonable to directly obtain the non-vendor price information from the broker of record, as identified by the SBA.

For private market investments, where no readily ascertainable market value exists (including limited partnerships, hedge funds, directly-owned real estate, and real estate pooled funds), fair values for the individual investments are based on the net asset value (capital account balance) at the closest available reporting period, as communicated by the general partner and/or investment manager, adjusted for subsequent contributions and distributions. The valuation techniques vary based upon investment type and involve a certain degree of judgment. The most significant input into the net asset value of an entity is the value of its investment holdings. The net asset value is provided by the general partner and/or investment manager and reviewed by management.

Annually, the financial statements of all private market investments are audited by independent auditors. Private market investments in which the SBA has a controlling interest are also required to be valued annually by independent, licensed external appraisers selected by an appraisal management company retained by the SBA.

All derivative financial instruments are reported at fair value in the statements of net position. The instruments are adjusted to fair value at least monthly, with valuation changes recognized in investment earnings. Gains and losses are recorded in the statements of changes in net position as "net increase (decrease) in fair market value" during the period.

Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted market prices, the estimated fair values may differ from the values that would have been used had a ready market existed.

Investment detail is included in Note 3.

Inventories

Inventories primarily consist of expendable supplies. Inventories are recorded according to the consumption method as expenditures when consumed. At the end of the fiscal year, inventory is reported as an asset and identified in fund balance as non-spendable. The method used to determine the cost of inventories varies by agency responsible for the inventories.

Capital Assets

Capital assets are real, personal, and intangible property that have a cost equal to or greater than an established capitalization threshold and have an estimated useful life extending beyond one year. For additional information, refer to Note 7.

Deferred Outflows of Resources

A consumption of net assets by the government that is applicable to a future reporting period is presented as a deferred outflow of resources.

Long-term Liabilities

Refer to Note 8 for information on pension and other postemployment benefit (OPEB) liabilities; Note 10 for information on bonds payable and certificates of participation; Note 11 for information on installment purchases; Note 12 for public-private partnership agreements; and Note 13 for changes in long-term liabilities.

Leases

The State is a lessee for multiple noncancelable leases of land, buildings and equipment. A lease liability and an intangible right-to-use lease asset (RTU lease asset) are recognized in the government-wide financial statements for each lessee transaction.

At the commencement of each lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liabilities are reduced by the principal portions of lease payments made. The RTU lease assets are measured as the initial amount of the individual lease liabilities, adjusted for lease payments made at or before the lease commencement dates, plus certain initial direct costs. Subsequently, the RTU lease assets are amortized on a straight-line basis over their useful lives.

Key estimates and judgments related to leases include how the state determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments.

- The interest rate charged by the lessor is used as the discount rate. When an interest rate charged by the lessor is not provided, the estimated incremental borrowing rate is used as the discount rate for leases.
- The lease terms include the noncancelable period of the leases and option years that the state is reasonably certain to exercise. Lease payments included in the measurement of the lease liabilities are composed of fixed payments and purchase option prices that the state is reasonably certain to exercise.

The state monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The state is a lessor for noncancelable leases of buildings and equipment. Lease receivables and deferred inflows of resources are recognized in the government-wide, enterprise, and governmental fund financial statements.

At the commencement of the leases, the lease receivables are measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivables are reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the amounts of the lease receivables, adjusted for lease payments received at or before the lease commencement dates. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease terms.

Key estimates and judgments include how the state determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- a. The state uses its estimated incremental borrowing rate as the discount rate for leases.
- b. The lease terms include the noncancelable periods of the leases.
- c. Lease receipts included in the measurement of the lease receivables are composed of fixed payments from the lessees.

The state monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivables. Lease detail is included in Note 6.

Compensated Absences Liability

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specifically authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The amounts reported for compensated absences are based on current year-end salary rates and include employer Social Security and Medicare tax and pension contributions at current rates.

Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period.

Components of Net Position

The government-wide statement of net position classifies net position into the following categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The “net investment in capital assets” component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. “Restricted” net position is reported when constraints are placed on net position that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. “Unrestricted” net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” When both restricted and unrestricted resources are to be used for the same purpose, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources. At June 30, 2022, the government-wide statement of net position reported a restricted net position of \$30.6 billion, of which \$17.6 billion is restricted by enabling legislation.

Components of Fund Balance

Nonspendable fund balance includes amounts that cannot be spent. This includes activity that is not in a spendable form such as inventories, prepaid amounts, and long-term portion of loans and notes receivable, net, unless the proceeds are restricted, committed or assigned. Additionally, activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund, is considered to be nonspendable.

Restricted fund balance has constraints placed upon the use of the resources either by an external party, such as the Federal Government, or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the state’s highest level of decision-making authority, the Legislature and the Governor, i.e., through legislation passed into law. Commitments may only be modified or rescinded by equivalent formal, highest-level action.

Unassigned fund balance is the residual amount of the General Fund not included in the three categories described above. Also, any remaining deficit fund balances within the other governmental fund types are reported as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the state’s general policy to use restricted resources first. When expenditures are incurred for which unrestricted (committed or unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the state’s general policy to spend committed resources first. However, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources.

Fund Balances Classifications and Special Revenue by Purpose – GASB Codification Section 2200, *Annual Comprehensive Financial Report*, requires presentation of governmental fund balances and special revenue fund revenues by specific purpose. In the basic financial statements, the fund balance classifications are presented in the aggregate. The table presented below displays further detail of nonspendable fund balance and appropriation of resources existing at June 30, 2022 (in thousands).

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Fund balances:							
Nonspendable:							
Inventory and Prepaid Items	\$ 7,735	\$ 755	\$ —	\$ 31,470	\$ 8,871	\$ 101,190	\$ 150,021
Long-term Receivables and Advances	10,577	—	—	—	—	—	10,577
Permanent Fund Principal	—	—	—	—	—	73	73
Total	18,312	755	—	31,470	8,871	101,263	160,671
Restricted:							
Grantors/Contributors	611	40,321	—	74,554	—	49,862	165,348
Enabling Legislation	30,972	6,060	121,344	144,986	50	249,007	552,419
Constitutional Provision	—	64,374	533,496	—	—	711	598,581
Creditors	—	3,097	784,952	—	—	1,049,419	1,837,468
Federal Government	28,993	2,956,136	14,112	100,395	—	707,216	3,806,852
Total	60,576	3,069,988	1,453,904	319,935	50	2,056,215	6,960,668
Committed:	549,936	2,825,756	855,665	2,389,484	1,876,368	3,113,140	11,610,349
Unassigned:	27,146,003	—	(860,732)	—	—	—	26,285,271
Total Fund Balances	\$ 27,774,827	\$ 5,896,499	\$ 1,448,837	\$ 2,740,889	\$ 1,885,289	\$ 5,270,618	\$ 45,016,959

Section 215.32(2)(b)4.a., F.S., provides that the unappropriated cash balances from selected trust funds may be authorized by the Legislature for transfer to the Budget Stabilization Fund and the General Revenue Fund through the General Appropriation Act. The amounts indicated below were identified in the State's 2022 General Appropriations Act as being unappropriated June 30, 2022, cash balances that are to be transferred to and from the funds indicated during the 2022-23 fiscal year (in thousands).

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Transfer to (from) Fund	\$ 97,300	\$ —	\$ —	\$ (79,800)	\$ —	\$ (17,500)	\$ —
Transfer from Non-Governmental Funds	43,000	—	—	—	—	—	43,000
Total	\$ 140,300	\$ —	\$ —	\$ (79,800)	\$ —	\$ (17,500)	\$ 43,000

F. Interfund Activity and Balances

The effect of interfund activities, except those between funds reported as governmental activities and funds reported as business-type activities, has been eliminated from the government-wide statements. In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. Transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers between funds are made to accomplish various provisions of law.

Interfund receivables and payables have been eliminated from the statement of net position, except for the residual amounts due between governmental and business-type activities.

For additional information, refer to Note 14.

G. Nonmonetary Transactions

The state participates in various activities that are, in part, represented by nonmonetary transactions. Examples include nonmonetary assistance in the form of Federal grants, such as vaccines, Electronic Benefit Transfer cards for food assistance, and donated food commodities. The state also acts as an agent for the United States Department of Agriculture in the distribution of donated food commodities to qualifying organizations outside the state's reporting entity. The fair value of these items is reported in the governmental fund financial statements.

State Attorneys and Public Defenders of the State of Florida are furnished certain office space and other services by counties under the provisions of Chapter 29, F.S. Some counties also provide certain facilities and services to other officers and staff of the judicial branch. The value of the facilities and services provided by the counties is not reported as revenue.

H. Operating and Non-Operating Revenues

Proprietary funds distinguish operating from non-operating revenues. Operating revenues are typically derived from providing goods or services and include all transactions involved in delivering those goods or services. These revenues are a direct result of exchange-type transactions associated with the principal activity of the fund. Cash flow resulting from capital and related financing, noncapital financing, and investment activities are considered non-operating for reporting purposes.

I. Budget Stabilization Fund

The State Constitution mandates the creation and maintenance of a Budget Stabilization Fund, in an amount not less than 5 percent nor more than 10 percent of the last complete fiscal year's net revenue collections for the General Revenue Fund. Monies in the Budget Stabilization Fund may be transferred to the General Revenue Fund to offset a deficit therein or to provide emergency funding, including payment of up to \$38 million with respect to certain uninsured losses to state property. Monies in this fund are constitutionally prohibited from being obligated or otherwise committed for any other purposes, in accordance with Section 216.222, F.S. Any withdrawals from the Budget Stabilization Fund must be restored from general revenues in five equal annual installments, commencing in the third fiscal year after the expenditure, unless the Legislature establishes a different restoration schedule, in accordance with Section 215.32, F.S.

The Budget Stabilization Fund had \$2.73 billion in cash at June 30, 2022. During fiscal year 2021-22, The Lawton Chiles Endowment Fund (LCEF) was mostly liquidated, and \$1.06 billion was transferred from the LCEF to the Budget Stabilization Fund. There were no disbursements made from the Budget Stabilization Fund.

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NOTE 2 - ACCOUNTING AND REPORTING CHANGES

A. Accounting and Reporting Changes

The state implemented GASB Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in the Statement.

The state implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

The state implemented GASB Statement No. 92, *Omnibus 2020*, intended to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments.

The state implemented paragraphs 6 through 9 of Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*, which classifies a Section 457 plan as either a pension plan or another employee benefit plan. GASB Statement No. 97:

- a. Defines a Section 457 plan that meets the definition of a pension plan in paragraph 51 of Statement 67 or paragraph 128 of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, is a pension plan for accounting and financial reporting purposes.
- b. Defines a Section 457 plan that does not meet the definition of a pension plan is an other employee benefit plan for accounting and financial reporting purposes.
- c. Establishes that Statement No. 84, *Fiduciary Activities*, as amended, should be applied to determine whether an arrangement organized under Internal Revenue Code Section 457 should be reported as a fiduciary activity in a government's fiduciary fund financial statements.
- d. Establishes that if a Section 457 plan that meets the definition of a pension plan is either included in the financial statements of another government, or issues stand-alone financial statements, all accounting and financial reporting requirements relevant to pension plans should be applied.
- e. Requires that all accounting and financial reporting requirements that are relevant to pensions should be applied to benefits provided through a Section 457 plan that meets the definition of a pension plan.

The state implemented paragraphs 11-17 and 26-32 of Statement No. 99, *Omnibus 2022*, which addresses practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 99:

- a. Clarifies in paragraphs 11-17 the provisions in GASB Statement No. 87, *Leases*, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- b. Establishes in paragraphs 26-32 requirements related to extension of the use of LIBOR; accounting for SNAP distributions; disclosures of nonmonetary transactions; pledges of future revenues by pledging governments; clarification of certain provisions in Statement 34, as amended; and terminology updates related to Statement 53 and Statement 63 that are effective upon issuance.

The adoption of paragraphs 11-17 of this Statement was done in conjunction with the adoption of GASB Statement No. 87, *Leases*.

B. Fund Balance and Net Position Reclassifications and Restatements

Fund balances and Net position at June 30, 2022 have been adjusted as follows (in thousands):

	Governmental Activities	Governmental Funds			Business-type Activities	Proprietary Funds	
		Transportation	Health and Family Services	Nonmajor Governmental		Transportation	Lottery
Fund Balance/Net Position, June 30, 2021, as previously reported	\$ 77,935,554	\$ 1,888,355	\$ 2,050,581	\$ 3,086,964	\$ 29,565,019	\$ 13,372,576	\$ 51,538
To increase/(decrease) fund balance to correct accounting errors.	(3,889)		(7,011)	101			
To increase fund balance related to capitalization of PALM expenditures.	81,068			81,068			
To increase net position related to reclassification of debt.	(42,648)	(42,648)			42,648	42,648	
To increase/(decrease) net position as a result of GASB 87.	(43,533)				(645)	(421)	(224)
Fund Balance/Net Position, June 30, 2021, as restated	<u>\$ 77,926,552</u>	<u>\$ 1,845,707</u>	<u>\$ 2,043,570</u>	<u>\$ 3,168,133</u>	<u>\$ 29,607,022</u>	<u>\$ 13,414,803</u>	<u>\$ 51,314</u>

	Fiduciary Funds		Component Units	
	Custodial Funds	University of Florida	Nonmajor Component Units	
Fund Balance/Net Position, June 30, 2021, as previously reported	\$ 361,873	\$ 7,771,129	\$ 28,856,563	
To increase/(decrease) net position to correct accounting errors.	(59,335)		3,526	
To increase/(decrease) net position as a result of GASB 87.	2,494	(808)	(14,856)	
Fund Balance/Net Position, June 30, 2021, as restated	<u>\$ 305,032</u>	<u>\$ 7,770,321</u>	<u>\$ 28,845,233</u>	

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2022, the state's deposits in financial institutions totaled approximately \$3.4 billion for primary government and \$3.9 billion for discretely presented component units.

1. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the state will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The state mitigates custodial credit risk by generally requiring public funds to be deposited in a bank or savings association that is designated by the Chief Financial Officer (CFO) as authorized to receive deposits in the state and meets the collateral requirements as set forth in Chapter 280, Florida Statutes (F.S.).

The CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Section 280.04, F.S., and Department of Financial Services Rules, Chapter 69C-2, Florida Administrative Code. Collateral pledging levels include 25, 50, 110, and 150 percent of a QPD's average daily deposit balance, or, if needed, an amount as prescribed by the CFO. Section 280.13, F.S., outlines eligible types of collateral including direct obligations of the United States (U.S.) Government, federal agency obligations fully guaranteed by the U.S. Government, certain federal agency obligations, state and local government obligations, corporate bonds, and letters of credit issued by a Federal Home Loan Bank. Also, with the CFO's permission, eligible collateral includes collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940. However, the portfolio of the investment company must be limited to direct obligations of the U.S. Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government, and the investment company must take delivery of such collateral either directly or through an authorized custodian.

In accordance with Section 280.08, F.S., if a QPD defaults, losses to public depositors are first satisfied with any applicable depository insurance, followed by demands of payment under any letters of credit or sale of the defaulting QPD's collateral. If necessary, any remaining losses are to be satisfied by assessments against the other participating QPDs according to a statutory based ratio.

At June 30, 2022, the following deposits were not secured pursuant to Chapter 280, F.S., and were exposed to custodial credit risk because they were uninsured and (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the state's name (in thousands).

**Schedule of Deposits with State Treasury
Exposed to Custodial Credit Risk
As of June 30, 2022**

Custodial Credit Risk	Bank Statement Balance (in U.S. \$)	
	Primary Government	Component Units
(1)	\$ 3,254,798	\$ 578,830
(2)	—	319,496
(3)	—	—
Total deposits subject to custodial credit risk	<u>\$ 3,254,798</u>	<u>\$ 898,326</u>

2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Under Section 215.47, F.S., and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investment by the State Board of Administration (SBA) may be invested in fixed income obligations or stocks denominated in foreign currency. The SBA has developed a total fund investment policy for the investment of assets in the Florida Retirement System (FRS) Pension Trust Fund that sets ranges on investments by asset class. Under the FRS Pension Trust Fund investment policy statement approved by SBA Trustees effective December 1, 2021, foreign and domestic equity securities are included in the global equity asset class. The FRS Pension Trust Fund has a target allocation to global equities of 53% with a policy range from 45-70%, but within this range there is no limit on the amount of

foreign equity securities that are denominated in foreign currency. The FRS Pension Trust Fund is not limited to holding securities in foreign currency only in the global equity asset class. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. The Lawton Chiles Endowment Fund (LCEF) previously had an investment policy that allowed foreign and domestic equity securities in the global equity asset class, but this fund was almost fully liquidated during the fiscal year. The Florida Prepaid Program's comprehensive investment plan limits investment in foreign equities to 30% of total equities, with the target for total equities to be 70% of the actuarial reserve. In all cases, Florida law limits the exposure to foreign securities held outside of commingled funds to 50% of the total fund. The investment plans may be modified in the future if the SBA or Florida Prepaid adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2022, as illustrated in the following schedule (in thousands):

**Schedule of Investments with State Board of Administration
Foreign Currency Deposits Held As of June 30, 2022**

Currency	Bank Statement Balance (in U.S. \$)			
	FRS Pension Trust Fund	LCEF	Florida Prepaid Program and Investment Plan	Total
Australian dollar	\$ 848	\$ —	\$ 1	\$ 849
Brazilian real	2,618	—	—	2,618
British pound sterling	3,887	—	—	3,887
Canadian dollar	2,774	—	—	2,774
Chilean peso	621	—	—	621
Chinese yuan renminbi	6,852	—	—	6,852
Colombian peso	2	—	—	2
Danish krone	260	—	—	260
Egyptian pound	23	—	—	23
Euro	13,243	7	9	13,259
Hong Kong dollar	14,617	—	—	14,617
Hungarian forint	336	—	—	336
Indian rupee	3,281	—	—	3,281
Indonesian rupiah	219	—	—	219
Israeli shekel	936	—	—	936
Japanese yen	14,550	—	67	14,617
Kenyan shilling	49	—	—	49
Kuwaiti dinar	17	—	—	17
Malaysian ringgit	293	—	—	293
Mexican peso	1,022	—	—	1,022
Moroccan dirham	8	—	—	8
New Taiwan dollar	5,323	—	—	5,323
New Zealand dollar	142	—	—	142
New Zimbabwe dollar	177	—	—	177
Norwegian krone	353	—	—	353
Pakistan rupee	75	—	—	75
Peruvian sol	5	—	—	5
Philippines peso	111	—	—	111
Polish zloty	196	—	—	196
Qatari riyal	413	—	—	413
Russian ruble	57	—	—	57
Saudi Arabian riyal	2,180	—	—	2,180
Singapore dollar	414	15	—	429
South African rand	1,493	—	—	1,493
South Korean won	10,826	—	—	10,826
Swedish krona	389	—	—	389
Swiss franc	998	—	—	998
Turkish lira	758	—	—	758
United Arab Emirates dirham	41	—	—	41
Vietnam dong	2,096	—	—	2,096
Total deposits subject to foreign currency risk	\$ 92,503	\$ 22	\$ 77	\$ 92,602

B. Investments

At June 30, 2022, the state's investments reported in governmental and business-type activities and fiduciary funds totaled \$302.4 billion, consisting of pooled investments with the State Treasury in the amount of \$55.7 billion and other investments in the amount of \$246.7 billion. The State Treasury also had holdings at June 30, 2022, of \$6.3 billion for discretely presented component units in total. These investments are not reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods. Other investments for discretely presented component units, excluding those investments held by SBA, totaled \$25.5 billion.

Pooled Investments with the State Treasury

Unless specifically exempted by statute, all cash of the state must be deposited in the State Treasury. The State Treasury, in turn, fully invests the funds to maximize earnings. In addition, the State Treasury may invest funds of any board, association, or entity created by the State Constitution, or by law. As a result, pooled investments with the State Treasury contain deposits from funds and component units of the reporting entity (internal portion) as well as deposits from certain legally separate organizations outside the reporting entity (external portion). The external portion of pooled investments with the State Treasury is reported in a governmental external investment pool.

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, F.S. The authorized investment types are set forth in Section 17.57, F.S.

Redemptions are on a dollar in/dollar out basis adjusted for distributed income. The fair value of the pooled investments with the State Treasury is determined at fiscal year-end for financial reporting purposes.

The State Treasury does not contract with an outside insurer in order to guarantee the value of the portfolio, or the price of shares redeemed.

Per Section 17.61(1), F.S., the State Treasury shall invest all general revenue funds, trust funds, all agency funds of each state agency, and of the judicial branch. As a result, state agencies and the judicial branch are considered involuntary participants in pooled investments with the State Treasury. The total involuntary participation as of June 30, 2022, was \$54.6 billion or 88% of the pool.

At year-end, the condensed financial statements for the Investment Pool maintained by the State Treasury were as follows (dollars in thousands):

Schedule of Pooled Investments with State Treasury
Condensed Statement of Fiduciary Net Position
June 30, 2022

ASSETS

Current and Other Assets	\$ 64,326,774
Total Assets	<u>64,326,774</u>

LIABILITIES

Other Liabilities	\$ 6,098,134
Total Liabilities	<u>6,098,134</u>

NET POSITION

Net position held for Internal Pool Participants	\$ 57,436,091
Net position held for External Pool Participants	<u>792,549</u>
Total net position, ending	<u>\$ 58,228,640</u>

Condensed Statement of Changes of Fiduciary Net Position
June 30, 2022

ADDITIONS

Net income (loss) from investing activity	\$ 2,027,113
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DEDUCTIONS

Distributions paid and payable	2,027,113
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DEPOSITOR ACTIVITY

Deposits	234,794,707
Withdrawals	(218,494,075)
Excess (deficiency) of deposits over withdrawals	<u>16,300,632</u>
Change in net position	16,300,632
Net position, beginning	<u>41,928,008</u>
Net position, ending	<u>\$ 58,228,640</u>

The following table provides a summary of the fair value, the number of shares or the principal amount, ranges of interest rates, and maturity dates of each major investment classification (dollars in thousands):

Schedule of Pooled Investments with State Treasury
Summary of Investment Holdings
As of June 30, 2022

	Par	Fair Value	Range of Interest Rates*	Range of Maturity Dates
Commercial paper	\$ 363,000	\$ 362,868	(0.020)% - 1.600%	7/1/2022 - 7/26/2022
Money market funds	1,030,742	1,030,742	1.470% - 1.787%	N/A
Repurchase agreements	5,882,689	5,882,689	0.950% - 1.550%	7/1/2022 - 7/15/2022
U.S. guaranteed obligations	32,186,241	30,833,430	0.028% - 8.500%	7/21/2022 - 4/1/2065
Federal agencies	6,417,800	5,943,283	0.068% - 9.500%	7/1/2022 - 11/25/2061
Bonds and notes - domestic	10,317,398	9,404,464	0.000% - 8.750%	7/5/2022 - 4/1/2122
Bonds and notes - international	1,597,315	1,503,014	0.000% - 9.625%	7/12/2022 - 1/19/2063
Federal agencies discounted securities	3,796,261	3,762,843	0.000% - 3.740%	7/1/2022 - 3/25/2042
U.S. guaranteed obligations discounted securities	3,583,251	3,523,023	0.650% - 3.610%	7/7/2022 - 4/20/2052
Commingled STIF	675,415	675,415	N/A	N/A
Unemployment compensation	1,437,776	1,437,776	N/A	N/A
Totals	<u>\$ 67,287,888</u>	<u>\$ 64,359,547</u>		

*The coupon rate in effect at June 30, 2022, is reported. If a security is discounted, the purchase yield is reported.

The State Treasury records, as an investment, funds credited to the state's account in the Federal Unemployment Compensation Trust Fund pursuant to Section 904 of the Social Security Act. The fund is drawn upon primarily to pay reemployment assistance benefits. This money is pooled with deposits from other states and is managed by the Federal Government. No disclosures can be made of specific securities owned.

The schedule below discloses the detail of the State Treasury holdings at fair value at June 30, 2022, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury
As of June 30, 2022**

Investment type	Fair Value
Commercial paper	\$ 274,957
Money market funds	618,281
U.S. guaranteed obligations	34,356,453
Federal agencies	9,244,915
Bonds and notes - domestic	9,214,347
Bonds and notes - international	1,497,618
Repurchase agreements	3,200,000
Commingled STIF	675,415
Unemployment compensation funds pooled with U. S. Treasury	1,437,776
Total investments excluding security lending collateral*	<u>60,519,762</u>
Lending collateral investments:	
Commercial paper	87,911
Repurchase agreements	2,682,689
Money market funds	412,461
Federal agencies	461,211
Bonds and notes - domestic	190,116
Bonds and notes - international	5,397
Total lending collateral investments	<u>3,839,785</u>
Total investments	<u>64,359,547</u>
Cash on deposit	<u>(32,773)</u>
Total State Treasury holdings	<u>64,326,774</u>
Adjustments:	
Outstanding warrants	(338,146)
Deposits in transit	—
SPIA Revolving Account**	(8,544)
Unsettled securities liability	<u>(1,911,659)</u>
Reconciled balance, June 30, 2022	<u><u>\$ 62,068,425</u></u>
Reconciliation to the basic financial statements (in thousands):	
Unrestricted Pooled investments with State Treasury	
Governmental activities	\$ 48,868,350
Business-type activities	3,286,243
Fiduciary funds	3,173,767
Component units	4,371,482
Component units timing difference	1,302,682
Total unrestricted pooled investments with State Treasury	<u>61,002,524</u>
Restricted Pooled investments with State Treasury	
Business-type activities	400,357
Component units	665,544
Total restricted pooled investments with State Treasury	<u>1,065,901</u>
Total pooled investments with State Treasury	<u><u>\$ 62,068,425</u></u>

*This amount excludes the Florida Birth-Related Neurological Injury Compensation Association's (NICA) participation in Treasury's Short Term Investment Fund (STIF). NICA's portion represents less than a tenth of a percent of the total investments held at Treasury.

**The SPIA Revolving Account is included as cash and cash equivalent by the agencies.

Other Investments

Other investments in various funds of the state are primarily managed by the SBA. The largest of these funds managed by the SBA is the FRS Pension Trust Fund (Defined Benefit Pension Fund), whose total investments represented 73.8% of total other investments at June 30, 2022. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 5.2% of total other investments, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 6.4% and 6.0%, respectively, of total other investments. Section 215.47, F.S., allows the SBA to invest funds in a range of instruments, including security lending agreements, reverse repurchase agreements, and alternative investments (including limited partnerships and hedge funds).

The schedule below discloses other investments at fair value at June 30, 2022, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments
As of June 30, 2022**

Investment types	FRS Pension Trust Fund	Fair Value ¹ Other funds		Total
		Managed by SBA	Not managed by SBA	
Certificates of deposit	\$ 403,384	\$ 4,594,944	\$ 797	\$ 4,999,125
Commercial paper	5,305,755	10,595,973	—	15,901,728
Money market funds	28,558	1,366,241	47,194	1,441,993
Repurchase agreements	1,200,000	364,000	—	1,564,000
U.S. guaranteed obligations	11,684,983	15,603,825	8,206	27,297,014
Federal agencies	7,741,992	933,025	438	8,675,455
Domestic bonds and notes	9,550,418	6,880,615	2,191,467	18,622,500
Commingled domestic bonds and notes funds/mutual funds	—	3,292,633	—	3,292,633
International bonds and notes	3,072,594	2,485,755	—	5,558,349
International bonds and notes mutual fund	—	20,734	—	20,734
Domestic stocks	50,373,390	787,025	65,889	51,226,304
Commingled domestic equity funds/mutual funds	—	5,999,119	—	5,999,119
International stocks	29,498,209	578,424	8,247	30,084,880
Commingled international equity funds/mutual funds	5,525,991	2,864,399	—	8,390,390
Commingled real asset funds	—	999,064	1,130	1,000,194
Alternative investments	40,680,622	—	—	40,680,622
Real estate investments (directly owned)	14,011,500	—	—	14,011,500
Commingled real estate investments funds	2,710,806	—	—	2,710,806
Self-Directed brokerage accounts	—	1,031,641	—	1,031,641
Derivative instruments, net: ²				
Forward currency contracts	133	26	—	159
Futures (debt and equity)	6,911	38	—	6,949
Option contracts	—	—	218	218
Swap contracts	(178)	—	—	(178)
Mutual funds	—	—	2,893,979	2,893,979
Deferred compensation annuities	—	—	10,883	10,883
Total investments excluding lending collateral	181,795,068	58,397,481	5,228,448	245,420,997
Lending collateral investments:				
Certificates of deposit	—	426,970	—	426,970
Commercial paper	—	335,645	—	335,645
Money market funds	909,486	—	—	909,486
Repurchase agreements	—	617,000	—	617,000
Federal agencies	—	—	—	—
Domestic bonds and notes	34,023	—	—	34,023
Total lending collateral investments	943,509	1,379,615	—	2,323,124
Total investments for all types	\$182,738,577	\$ 59,777,096	\$ 5,228,448	\$ 247,744,121
% of total other investments	73.8 %	24.1 %	2.1 %	

¹Investments of the Local Government Surplus Funds Trust Fund are reported based on amortized cost which approximates fair value. See the Local Government Surplus Funds Trust Fund disclosure on page 85 to obtain investment details of the Local Government Surplus Funds Trust Fund. In addition, investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost.

²Refer to Note 3.B.6. for detailed information regarding derivatives.

Reconciliation to the basic financial statements (in thousands):

	Governmental activities	Business-type activities	Fiduciary funds	Component Units ¹	Total
Other investments	\$ 694,421	\$ 8,171,395	\$ —	\$ 890,425	\$ 9,756,241
Restricted investments	—	519,638	—	—	519,638
Long-term investments	38,410	21,694,404	214,778,325	—	236,511,139
Security lending collateral ²	—	—	943,509	—	943,509
Timing and other differences ³	(57,284)	(17,602)	(104,223)	192,703	13,594
Total other investments	\$ 675,547	\$ 30,367,835	\$ 215,617,611	\$ 1,083,128	\$ 247,744,121

¹The column for Component Units presents investments managed by SBA for Component Units. For presentation of all other investments for Component Units, see the Schedule of Other Investments For Discretely Presented Component Units.

²Other investments and Restricted investments for Governmental and Business-type activities include security lending collateral. Refer to Note 3 B Schedule of Other Investments and B(5) Schedule of Other Investments on Loan Under Security Lending Agreements for additional information.

³Differences between participant balances posted and actual investments. Some Component Units have fiscal year ends other than the state's year end of June 30, 2022.

Certain investments included in the above schedule were pledged as collateral with the SBA's futures and swaps clearing counterparties. These investments are presented below (in thousands):

FRS Pension Trust Fund
Securities Pledged as Collateral for Futures and Swaps Contracts
As of June 30, 2022

Investment Type	Fair Value
U.S. guaranteed obligations	\$ 143,838
Total	<u>\$ 143,838</u>

Florida Prepaid Investment Plan
Securities Pledged as Collateral for Futures Contracts
As of June 30, 2022

Investment Type	Fair Value
U.S. guaranteed obligations	\$ 202
Total	<u>\$ 202</u>

In addition, cash and foreign currency required to open futures and swap contracts (i.e., initial margin) in the FRS Pension Trust Fund may be pledged as collateral with the SBA's futures and swap counterparties. Pursuant to these types of contracts, and pending foreign currency contracts and commitments to purchase (TBAs), the FRS Pension Trust Fund agrees to receive or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receivables and payables are known as variation margin. All initial and variation margin amounts held by counterparties, and the variation margins held by the FRS Pension Trust Fund as of June 30, 2022, are included in "Accounts receivable" and in "Accounts payable and accrued liabilities", respectively, on the Statement of Fiduciary Net Position. These amounts are presented in the table below (in thousands):

FRS Pension Trust Fund
Cash and Foreign Currency Pledged as Collateral for Futures and Swaps Contracts
As of June 30, 2022

	Fair Value
Margin receivable from counterparties:	
Futures contracts	\$ 19,834
Swap contracts	8,015
Foreign currency contracts	1,075
Commitments to purchase (TBAs)	12,840
Total margin receivable	<u>\$ 41,764</u>
Margin payable to counterparties:	
Futures contracts	\$ 35,842
Swap contracts	471
Foreign currency contracts	2,650
Total margin payable	<u>\$ 38,963</u>

The Florida Prepaid Investment Plan also held open futures positions at June 30, 2022. Similar to the FRS Pension Trust Fund, Florida Prepaid pays to or receives from the broker a variation margin (i.e., an amount of cash) equal to the daily fluctuation in the value of the futures contract. All variation margin amounts held by counterparties, and the variation margins held by the Florida Prepaid Investment Plan as of June 30, 2022, are included in "Accounts receivable" and in "Accounts payable and accrued liabilities", respectively, on the Statement of Fiduciary Net Position. These amounts are presented in the table below (in thousands):

Florida Prepaid Investment Plan
Cash and Foreign Currency Pledged as Collateral for Futures and Swaps Contracts
As of June 30, 2022

	Fair Value
Margin receivable from counterparties:	
Futures contracts	\$ 71
Total margin receivable	<u>\$ 71</u>
Margin payable to counterparties:	
Futures contracts	\$ 115
Total margin payable	<u>\$ 115</u>

The FRS Pension Trust Fund also held short positions in investments at June 30, 2022. Short investment positions are reported as liabilities on the Statement of Fiduciary Net Position. The schedule below presents the short investment positions at fair value at June 30, 2022 (in thousands):

**FRS Pension Trust Fund
Short Investment Position
As of June 30, 2022**

Investment Type	Fair Value
U.S. guaranteed obligations	\$ (5,261)
Federal agencies	(30,780)
Total	<u>\$ (36,041)</u>

The SBA issued a separate report (financial statements and notes) pertaining to the Local Government Surplus Funds Trust Fund (an external investment pool) within the state's Investment Trust Fund for the period ended June 30, 2022. This report may be obtained from the Chief Operating & Financial Officer, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 101, Tallahassee, Florida 32308, (850) 488-4406.

Component Units

The schedule below discloses other investments reported at fair value, as of June 30, 2022, for discretely presented component units and a reconciliation to the basic financial statements (in thousands). Those investments held with the State Treasury as of June 30, 2022, are excluded.

**Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2022**

Investment type	Fair Value
Certificates of deposit	\$ 16,129
Commercial paper	2,868
Money market funds	460,590
U.S. guaranteed obligations	3,994,500
Federal agencies	1,325,960
Domestic bonds & notes	7,166,426
International bonds & notes	810,887
Domestic stocks	1,403,859
International stocks	833,891
Real estate investments	77,868
Mutual funds	3,090,516
Investment agreements	6,286,076
Total other investments for all types	<u>\$ 25,469,570</u>
Reconciliation of fair value to the basic financial statements:	
Other investments	\$ 18,056,176
Restricted investments	8,303,819
Less SBA Investments*	(890,425)
Total other investment for component units	<u>\$ 25,469,570</u>

*Investment types for component units with investments held by SBA are disclosed on the Schedule of Other Investments on page 82.

At June 30, 2022, 61.26% of total other investments for discretely presented component units belonged to the following major component units: Florida Housing Finance Corporation, University of Florida, and Citizens Property Insurance Corporation.

1. Credit Risk and Concentration of Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the state's investment in a single issuer.

Pooled Investments with the State Treasury

The State Treasury follows the investment guidelines set forth in Section 17.57, F.S., for reducing exposure to investment credit risk. The State Treasury's rated debt investments as of June 30, 2022, were rated by the nationally recognized statistical rating organizations (NRSRO) Standard and Poor's (S&P) and Moody's, and the ratings are presented below using the applicable rating scale (in thousands):

State Treasury Credit Quality Ratings As of June 30, 2022

S&P rating ¹	Moody's rating ¹	Total ²	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Repurchase agreements ³	Money Market funds
AAAm		\$ 618,281	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 618,281
AAA		1,590,901	—	7,641	1,301,978	68,821	—	212,461
AA		10,018,553	—	9,274,711	692,071	51,771	—	—
A		3,985,558	—	—	2,977,094	1,008,464	—	—
A-1		404,872	262,872	142,000	—	—	—	—
BBB		2,429,013	—	—	2,215,685	213,328	—	—
BB		23,238	—	—	19,860	3,378	—	—
B		1,901	—	—	1,901	—	—	—
Below B		6	—	—	6	—	—	—
	Aaa	1,344,451	—	—	1,325,485	18,966	—	—
	Aa	125,282	—	—	125,282	—	—	—
	A	167,310	—	—	166,552	758	—	—
	P-1	99,996	99,996	—	—	\$ —	—	—
	Baa	435,349	—	—	368,407	\$ 66,942	—	—
	Ba	94,630	—	—	83,964	10,666	—	—
	Below B	3	—	—	3	—	—	—
Not Rated	Not Rated	1,855,957	—	281,774	126,175	59,921	1,188,087	200,000
		<u>\$ 23,195,301</u>	<u>\$ 362,868</u>	<u>\$ 9,706,126</u>	<u>\$ 9,404,463</u>	<u>\$ 1,503,015</u>	<u>\$ 1,188,087</u>	<u>\$ 1,030,742</u>
Not Rated ⁴	Not Rated ⁴	34,356,453	U.S. guaranteed obligations					
Not Rated	Not Rated	675,415	Commingled STIF					
Not Rated	Not Rated	<u>4,694,602</u>	Repurchase agreements					
		<u>\$ 62,921,771</u>						

¹ Long-term ratings are presented except for "A-1" and "P-1", which are a short-term ratings for S&P and Moody's, respectively.

² The remaining \$1,437,776 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool.

³ Collateral underlying the repurchase agreements was not rated.

⁴ U.S. guaranteed obligations and collateral for repurchase agreements which are explicitly guaranteed by the U.S. government do not require disclosure of credit quality.

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal Agency obligations. For other investments, the investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date and duration of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2022, more than five percent of the State Treasury's investment pool is invested in the Federal Home Loan Bank System (FHLB) and the Federal National Mortgage Association (FNMA). These investments are approximately 6 percent and 6 percent of the State Treasury's investments pool, respectively.

Other Investments

The SBA, in compliance with Section 215.47, F.S., has adopted certain investment policies with regard to credit risk of debt securities. Investment policies vary by fund or portfolio. Below are the investment policies and credit risk disclosures for the FRS Pension Trust Fund, which constitute the primary portion of other investments.

FRS Pension Trust Fund – Investments are generally managed through individual portfolios within various asset classes, as listed below. Some of the individual portfolios have slightly different restrictions on credit quality.

Short-term Portfolio – Securities must be high quality at the time of purchase. For short-term investment ratings, this is defined as the highest applicable rating from one of the NRSROs. For long-term investment ratings, this is defined as a minimum rating of A from one of the NRSROs. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies).

Generally, securities in other major portfolios, such as the Mortgage Index Portfolio, Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio, should be rated investment grade by at least one of the NRSROs at the time of purchase allowing a very small allocation to below investment grade (down to BB-/Ba3) for the Core Portfolio. Securities for a single issuer are generally limited to 5% of the fair value of the portfolio (excluding U.S. Treasuries and Agencies).

Mortgage Index Portfolio – Securities are generally limited to those issued by the Government National Mortgage Association (GNMA), FNMA, and FHLMC. No specific credit rating criteria are listed.

Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio – These portfolios allow U.S. Treasuries, U.S. Government agencies, corporate, mortgage and asset backed securities, foreign sovereign debt, and municipals.

Lending Portfolios – Under investment policy guidelines in effect for the FRS Pension Trust Fund, eligible cash collateral investments are:

- Tri-party qualified repurchase agreement transactions collateralized by U.S. Treasury bills, notes, bonds, and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. equity securities. Collateral consisting of U.S. Treasury and Government Agencies must maintain a market value of at least 102% of the market value of the securities subject to being repurchased. Collateral consisting of U.S. equities must maintain a market value of at least 110% of the market value of the securities subject to being repurchased,
- Money market mutual funds regulated by SEC rule 2a-7 and rated the highest applicable rating by at least one NRSRO and
- U.S. Treasury bills, notes, and bonds.

Security lending investments that were purchased prior to the policy guidelines established in December 2008 are being held to maturity in existing lending portfolios.

Florida Prepaid College Program Lending Program – Short-term obligations should be limited to obligations rated in the highest rating category by at least two NRSROs or, if only rated by one NRSRO, rated at the time of purchase in the highest rating category by that NRSRO (S&P A-1, Moody's P-1, Fitch F1 or equivalent). A "short-term obligation" means any eligible security or instrument (other than a repurchase agreement) which has an original maturity of 397 days or less at the time of purchase or has a put that entitles the holder to receive the principal amount at specified intervals not exceeding 397 days. With respect to bonds and other long-term obligations, investment is limited to obligations backed by the United States Government and have a maximum maturity of 762 days. A "long-term obligation" means any eligible security or instrument (other than a repurchase agreement) which has a remaining maturity of greater than 397 days at the time of purchase and is not subject to a demand feature in 397 days or less.

The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5% or more of the fund's fair market value at June 30, 2022. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2022 (in thousands):

**FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2022**

Credit Rating ¹									
S&P	Moody's	Total ²	Certificates of Deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies ³	Domestic bonds & notes	International bonds & notes
A-1/AAA		\$ 6,084,108	\$ 374,033	\$ 5,021,058	\$ 689,017	\$ —	\$ —	\$ —	\$ —
AAA		1,168,358	—	—	—	—	—	645,309	523,049
AA		859,887	—	—	—	—	400,354	321,864	137,669
A		2,534,664	—	—	—	—	—	1,917,799	616,865
BBB		4,471,421	—	—	—	—	—	3,615,395	856,026
BB		303,334	—	—	—	—	—	228,097	75,237
B		111,446	—	—	—	—	—	84,284	27,162
CCC		16,877	—	—	—	—	—	8,365	8,512
CC		8,019	—	—	—	—	—	8,019	—
D		973	—	—	—	—	—	973	—
	P-1	29,351	29,351	—	—	—	—	—	—
	P-2	284,697	—	284,697	—	—	—	—	—
	Aaa	1,701,176	—	—	—	—	—	1,260,705	440,471
	Aa	148,824	—	—	—	—	—	109,520	39,304
	A	213,337	—	—	—	—	—	185,321	28,016
	Baa	489,122	—	—	—	—	—	313,743	175,379
	Ba	194,049	—	—	—	—	—	156,931	37,118
	B	49,038	—	—	—	—	—	40,101	8,937
	Caa	7,471	—	—	—	—	—	3,823	3,648
NR	NR	9,015,162	—	—	249,027	645,104	7,341,638	684,192	95,201
Total ratable investments		<u>27,691,314</u>	<u>\$ 403,384</u>	<u>\$ 5,305,755</u>	<u>\$ 938,044</u>	<u>\$ 645,104</u>	<u>\$ 7,741,992</u>	<u>\$ 9,584,441</u>	<u>\$ 3,072,594</u>
Ratings not Applicable:									
Repurchase agreements ⁴		554,896							
U.S. guaranteed obligations ⁴		11,684,983							
Domestic stocks		50,373,390							
International stocks		29,498,209							
Commingled international equity funds		5,525,991							
Alternative investments		40,680,622							
Real estate (directly owned)		14,011,500							
Commingled real estate investment funds		2,710,806							
Derivative instruments, net:									
Forward currency contracts		133							
Futures (debt and equity)		6,911							
Swaps		(178)							
Total investments		<u>\$ 182,738,577</u>							

¹S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated). Long-term ratings are presented except for commercial paper and money market funds.

²All FRS investments are included in this schedule, including security lending collateral investments.

³Federal agency TBAs and mortgage-backed securities are classified as "NR" because they do not have explicit credit ratings on individual securities.

⁴U.S. guaranteed obligations and repurchase agreements collateralized by securities explicitly guaranteed by the U.S. Government do not require disclosure of credit quality.

All futures, and swaps contracts held by the FRS Pension Trust Fund and futures contracts held by the Florida Prepaid Investment Plan at June 30, 2022, were exchange traded, thereby minimizing counterparty credit risk through the use of futures and swaps clearing merchants and clearing houses. The FRS Pension Trust Fund may enter into contracts that allow for close-out netting with certain counterparties. In the event of default or early termination, the contract permits the non-defaulting party the right to close-out all transactions in a single net settlement to one net amount payable by one counterparty to the other. The aggregate fair value of non-exchange traded derivative instruments subject to close-out netting totaled \$5.4 million as of June 30, 2022.

Counterparty credit ratings related to credit risk for forward foreign currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2022, are listed below (in thousands):

FRS Pension Trust Fund
Forward Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2022

Counterparty Credit Rating (Long / Short) ¹		Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss) ²
S&P	Moody's			
AA/A-1		\$ 14,177	\$ (9,601)	\$ 4,576
	A/P-1	876	(1,044)	(168)
	NR/P-1	1,298	(5,573)	(4,275)
Total		<u>\$ 16,351</u>	<u>\$ (16,218)</u>	<u>\$ 133</u>

¹S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).

²Forward currency exchange contracts are reported net, as an investment derivative on the Statement of Fiduciary Net Position.

Counterparty credit ratings related to credit risk for spot currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2022, are listed below (in thousands):

FRS Pension Trust Fund
Spot Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2022

Counterparty Credit Rating (Long /Short) ¹		Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
S&P	Moody's			
AA/A-1		\$ 1,132	\$ (1,133)	\$ (1)
A/A-1		95,188	(95,106)	82
	A/P-1	7,544	(7,525)	19
	NR/P-1	816	(815)	1
NR	NR	41,771	(41,799)	(28)
	Total	<u>\$ 146,451</u>	<u>\$ (146,378)</u>	<u>\$ 73</u>

¹S&P or Moody ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).

Counterparty credit ratings related to credit risk for spot currency exchange contracts held in the Florida Prepaid Program and forward currency exchange contracts held in the Florida Prepaid Investment Plan at June 30, 2022, were unavailable.

The schedule below discloses credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2022, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2022

Credit Rating ¹									
S&P	Moody's	Total ²	Certificates of deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies	Domestic bonds and notes ³	International bonds and notes
AAAm		\$ 1,333,370	\$ —	\$ —	\$ 1,333,370	\$ —	\$ —	\$ —	\$ —
A-1		10,913,682	—	10,913,682	—	—	—	—	—
A-2		17,936	—	17,936	—	—	—	—	—
AAA		740,104	—	—	—	2,826	—	664,045	73,233
AA		2,369,849	—	—	—	7,432	35,874	1,716,440	610,103
A		3,251,621	—	—	—	39,658	—	1,703,192	1,508,771
BBB		1,398,657	—	—	—	63,429	—	1,157,301	177,927
BB		19,662	—	—	—	—	—	13,811	5,851
B		2,859	—	—	—	—	—	2,639	220
	Aaa	304,262	—	—	—	—	—	251,537	52,725
	Aa	21,318	—	—	—	27	—	18,182	3,109
	A	768,086	—	—	—	2,414	—	724,124	41,548
	Baa	160,893	—	—	—	3,999	—	149,652	7,242
	Ba	70,892	—	—	—	—	—	69,373	1,519
	B	267	—	—	—	—	—	267	—
NR	NR	10,031,132	5,021,914	—	32,871	352,270	897,151	3,702,685	24,241
Total ratable investments		\$ 31,404,590	\$ 5,021,914	\$ 10,931,618	\$ 1,366,241	\$ 472,055	\$ 933,025	\$ 10,173,248	\$ 2,506,489
Ratings not applicable									
Repurchase agreements ⁴		293,945							
Repurchase agreement(collateralized by stocks)		215,000							
U.S. guaranteed obligations ⁴		15,603,825							
Domestic stocks		787,025							
Commingled domestic equity funds/mutual funds		5,999,119							
International stocks		578,424							
Commingled international equity fund//mutual funds		2,864,399							
Commingled real asset funds		999,064							
Self-directed brokerage accounts		1,031,641							
Derivative instruments, net:									
Forward currency contracts		26							
Futures contracts		38							
Total investments		\$ 59,777,096							

¹S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated). Long-term ratings are presented except for commercial paper and money market funds.

²All investments are included in this schedule, including security lending collateral investments. Fair value is presented for all investments, except for repurchase agreements and money market funds, which are presented at cost.

³These columns include several commingled domestic bonds and notes funds/mutual funds and one international bonds and notes mutual fund with fair values of approximately \$3.3 billion and \$20.7 million, respectively, that do not carry credit ratings.

⁴U.S. guaranteed obligations and collateral for repurchase agreements, which are explicitly guaranteed by the U.S. government, do not require disclosure of credit quality.

The Florida Prepaid Investment Plan held investments with the FNMA (7.13%) in excess of 5% of the Florida Prepaid Investment Plan's fair value.

Component Units

Investment policies with regard to credit risk of debt securities vary from component unit to component unit. In addition, investment policies vary among Universities' direct support organizations. Investment policies may be obtained separately from component units. Presented below are reported credit quality ratings for debt securities of major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

Major Component Units Credit Quality Ratings As of June 30, 2022							
Component Unit*	Federal agencies	Bonds & notes	Money market funds	Bond mutual funds	U.S. guaranteed obligations	Total	S&P rating
Florida Housing Finance Corporation (FHFC)	\$ —	\$ 88,189	\$ —	\$ —	\$ —	\$ 88,189	AAA-AA
FHFC (continued)	—	63,505	—	—	—	63,505	AAA-AA+
FHFC (continued)	—	30,783	—	—	—	30,783	AAA-A-
FHFC (continued)	—	233,030	—	—	—	233,030	AAA-BBB-
FHFC (continued)	31,296	—	—	—	260,552	291,848	AA+
University of Florida (UF)	—	2,184	224,359	60,054	—	286,597	AAA
UF (continued)	2,491	2,780	—	59,328	—	64,599	AA
UF (continued)	—	1,846	—	27,718	—	29,564	A
UF (continued)	545	32,027	14,458	48,153	—	95,183	Less than A
Citizens Property Insurance Corporation (CPIC)	651,273	—	—	—	1,834,250	2,485,523	AA+
CPIC (continued)	—	779,401	—	—	—	779,401	A+
CPIC (continued)	—	4,902,975	—	—	—	4,902,975	A
Total Investments	<u>\$ 685,605</u>	<u>\$ 6,136,720</u>	<u>\$ 238,817</u>	<u>\$ 195,253</u>	<u>\$ 2,094,802</u>	<u>\$ 9,351,197</u>	

*State of Florida major component units do not have any investments subject to concentration of credit risk.

2. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the state will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Pooled Investments with the State Treasury

The State Treasury's custodial risk policy states that securities must be held in an account in the state's name. As required by negotiated trust and custody contracts, many of the state's investments were held in the state's name by the Treasury's custodial financial institution at June 30, 2022. Investments that were uninsured and unregistered, and held by the counterparty, or by its trust department but not in the state's name, included the following (in thousands):

**State Treasury
Custodial Credit Risk
As of June 30, 2022**

	<u>Fair value</u>
Invested security lending collateral:	
Repurchase agreements	\$ 2,682,689
Commercial Paper	87,911
Money market funds	412,461
Federal agencies	461,211
Bonds and notes - domestic	190,116
Bonds and notes - international	5,397
Total	<u><u>\$ 3,839,785</u></u>

Other Investments

The SBA's custodial credit risk policy states that custodial credit risk will be minimized through the use of trust accounts maintained at top tier third party custodian banks. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, or in the case of certain foreign investments, in an omnibus client account, but separate and apart from the assets of the custodian banks. This policy applies to investments evidenced by cash or securities, and does not apply to investments evidenced by contractual agreements such as alternative or real estate investments, cleared derivative instruments (futures, options and swaps), external investment pools or open-ended mutual funds. These types of investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. As required by negotiated trust and custody contracts, many of the state's investments were held in the state's name or in the case of certain foreign investments, in an omnibus client account, by the SBA's custodial financial institutions at June 30, 2022. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, but not in the SBA's name, included the following (in thousands):

**Other Investments with SBA
Custodial Credit Risk
As of June 30, 2022**

	<u>FRS Pension Trust Fund</u>	<u>Other funds</u>
Invested security lending collateral:		
Certificates of deposit	\$ —	\$ 426,970
Commercial paper	—	335,645
Repurchase agreements	—	617,000
Domestic bonds and notes	34,023	—
Total	<u><u>\$ 34,023</u></u>	<u><u>\$ 1,379,615</u></u>

Component Units

Component units manage their exposure to custodial credit risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable custodial credit risk information for a major component unit (in thousands):

**Major Component Unit
Custodial Credit Risk
As of June 30, 2022**

<u>Component unit / Investment type</u>	<u>Fair value</u>
University of Florida	
Federal agencies	\$ 3,036
Bonds and notes	8,829
Total	<u>\$ 11,865</u>

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt investments.

Pooled Investments with the State Treasury

Through its investment policy, the State Treasury manages its exposure to interest rate risk by limiting either the maturities or durations of the various investment strategies used for the investment pool. The maximum effective weighted duration allowed is in the Long Duration portfolio: six (6) years or the benchmark's effective duration if higher. In addition, the security lending portfolio manages exposure to interest rate risk by limiting the maximum weighted average maturity gap. The maximum weighted average maturity gap is defined as the difference between the weighted average days to maturity of the portfolio minus the weighted average days to maturity of the liabilities (loans). The maximum weighted average maturity gap for security lending portfolios is 30 days.

Presented below is the interest rate risk table for the debt investments with the State Treasury (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to the security lending collateral portfolio are presented using weighted average maturity.

Debt Investments
As of June 30, 2022

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Market Value	Weighted average maturity (in days)
Commercial paper	\$ 274,957	0.01	\$ 87,911	22.86
Money market funds	618,281	0.02	412,461	1.00
Repurchase agreements	3,200,000	0.01	2,682,689	1.00
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	30,142,129	2.08	—	N/A
U.S. Treasury strips	36,701	18.29	—	N/A
U.S. Treasury bills	3,483,049	0.33	—	N/A
GNMA mortgage-backed pass-through	419,801	6.15	—	N/A
GNMA TBA pass-through	26,370	5.92	—	N/A
GNMA collateralized mortgage obligations (CMO's)	48,535	7.29	—	N/A
GNMA CMO's - principal only	3,272	24.73	—	N/A
GNMA CMO's - interest only	16,865	0.66	—	N/A
SBA asset-backed	179,731	3.60	—	N/A
Federal agencies:			461,211	1.30
Discount notes	3,762,800	0.23	—	N/A
Unsecured bonds & notes	194,419	2.15	—	N/A
Mortgage-backed pass-through	4,745,730	5.97	—	N/A
TBA mortgage-backed pass-through	107,313	5.60	—	N/A
Mortgage-backed CMO's	427,555	4.69	—	N/A
Mortgage-backed CMO's - principal only	43	2.88	—	N/A
Mortgage-backed CMO's - interest only	7,055	4.19	—	N/A
Domestic bonds and notes:			190,116	2.33
Corporate	5,966,995	5.75	—	N/A
Corporate asset-backed	935,919	1.87	—	N/A
Non-government backed CMO's & CMBS*	1,713,581	3.26	—	N/A
Non-government backed CMO's & CMBS* - interest only	8,229	2.92	—	N/A
Municipal/provincial	589,623	6.87	—	N/A
International bonds and notes:			5,397	13.00
Government & Agency	136,142	4.13	—	N/A
Corporate	1,361,476	3.37	—	N/A
Commingled STIF	675,415	—	—	N/A
Futures contracts - long**	—	5.79	—	N/A
Futures contracts - short**	—	11.14	—	N/A
Total portfolio effective duration and weighted average maturity		2.56		1.62
Total debt investments***	<u>\$ 59,081,986</u>		<u>\$ 3,839,785</u>	

*Commercial Mortgage-Backed Securities (CMBS).

**The futures contracts effective weighted duration was calculated using notional values rather than fair values.

***The remaining \$1,437,776 (in thousands) reported for Pooled Investments with State Treasury is comprised of investments with the U.S. Treasury Unemployment Compensation Funds Pool.

Other Investments

The SBA manages its exposure to interest rate risk through various investment policies. Policies and interest rate risk disclosures for debt investments within the FRS Pension Trust Fund are presented below.

Investments authorized by Section 215.47, F.S., are managed through individual portfolios within various asset classes. The individual portfolios may have different policies regarding interest rate risk. Major types of debt portfolios are listed below.

Short-term Portfolio – Weighted average maturity to final maturity date (WAL) is limited to 120 days and weighted average time to coupon reset (WAM) is limited to 60 days. For securities without a fixed interest rate, the next coupon reset date is used as the maturity for the reset WAM calculation.

Mortgage Index Portfolio – Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus 0.25 years of the Barclays Capital U.S. MBS Index duration. Swaps and/or Agency debentures may contribute no more than 25% of the portfolio's total duration.

Intermediate Aggregate Less MBS Index Portfolio – Portfolio duration should remain within plus or minus 0.25 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration less the MBS Index component. Interest rate swaps and interest rate futures, on a net basis, may contribute no more than 25% of the portfolio's total duration.

Core Portfolios – Portfolio duration should remain within plus or minus 0.50 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration. Interest rate swaps and interest rate futures, on a net basis, may contribute no more than 25% of the portfolio's total duration.

The Core Portfolio contains certain investments, known as collateralized mortgage obligations (CMOs), which are more sensitive to interest rate changes than other debt instruments. Examples of CMO securities that qualify as "highly interest rate sensitive" include interest-only (IOs), principal-only (POs), and inverse floaters (INVs). IO and PO securities are transactions that involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which increase the value of a PO and decrease the value of an IO. INVs have an inverse relationship to a benchmark rate, and the coupon payment is adjusted as the interest rate changes. If the benchmark interest rate decreases, the coupon rate increases and vice versa, which allows the bondholder to benefit from declining interest rates. Similar to an IO, an interest-only inverse floater's value increases as interest rates rise.

Security Lending Portfolios – Investment policy guidelines in effect for the FRS Pension Trust Fund allow investment in:

- Tri-party qualified repurchase obligations, with a term to repurchase not to exceed 45 calendar days that are fully collateralized by U.S. Treasury bills, notes, bonds and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. equity securities,
- Money market mutual funds regulated by SEC rule 2a-7, and
- U.S. Treasury bills, notes, and bonds maturing within 92 days or less.

Security lending investments that were purchased prior to the investment policy guidelines established in December 2008, are still held in the FRS Pension Trust Fund lending programs, and are slowly paying down. For investments that had floating interest rates, interest rate reset dates were used to calculate the WAM.

For the Florida Prepaid lending program, investment policy guidelines state that the maximum rate sensitivity is 60 days. The "rate sensitivity" of a security or instrument shall mean (a) in the case of a fixed rate security or instrument (i) the date on which final payment is due or (ii) the principal amount can be recovered through demand (if applicable) or (b) in the case of a floating or variable rate security or instrument, the shorter of the period of time remaining until either (i) the next readjustment of the interest rate or (ii) the principal amount can be recovered through demand (if applicable).

Presented in the following schedule is the interest rate risk table for the FRS Pension Trust Fund (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to short-term and securities lending collateral portfolios are presented using weighted average maturity.

FRS Pension Trust Fund
Debt Investments
As of June 30, 2022

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ —	N/A	\$ 403,384	105
Commercial paper	—	N/A	5,305,755	17
Money market funds	—	N/A	938,044	1
Repurchase agreements	—	N/A	1,200,000	2
U.S. guaranteed obligations:				
U.S. Treasury bills	796,065	0.23	—	N/A
U.S. Treasury bonds and notes	9,330,586	4.18	—	N/A
U.S. Treasury strips	12,050	18.80	—	N/A
Index linked government bonds	120,151	6.68	—	N/A
U.S. government guaranteed bonds and notes	6,155	1.52	—	N/A
Asset-backed	4,998	2.44	—	N/A
GNMA mortgage-backed pass-through	1,066,319	5.48	—	N/A
GNMA TBA mortgage-backed pass-through	214,399	6.04	—	N/A
GNMA CMO's and CMBS ¹	134,260	5.46	—	N/A
Federal agencies:				
Discount notes	3,923	0.23	—	N/A
Unsecured bonds and notes	396,431	4.71	—	N/A
Agency strips	24,741	7.67	—	N/A
Mortgage-backed pass-through	5,086,176	6.17	—	N/A
FNMA, FHLMC TBA mortgage-backed pass-through	1,464,639	6.09	—	N/A
Mortgage-backed CMO's and CMBS ¹	766,082	5.53	—	N/A
Domestic bonds and notes:				
Corporate	6,473,052	4.34	—	N/A
Non-government asset and mortgage-backed	694,737	2.13	33,214	25
Non-government backed CMO's and CMBS ¹	2,353,633	4.11	809	25
Municipal/provincial	28,996	7.16	—	N/A
International bonds and notes:				
Government and agency	667,424	3.44	—	N/A
Corporate	1,634,860	3.89	—	N/A
Non-government asset and mortgage-backed	689,438	0.13	—	N/A
Non-government backed CMO's and CMBS ¹	80,872	0.11	—	N/A
Futures contracts - long (debt) ²	(13,868)	3.91	—	N/A
Futures contracts - short (debt) ²	8,123	10.15	—	N/A
Credit default swaps ²	(500)	—	—	N/A
Interest rate swap contracts ²	322	2.75	—	N/A
Total debt investments	<u>\$ 32,044,064</u>		<u>\$ 7,881,206</u>	

¹Includes investments in IOs, POs, and INVs totaling \$69 million at June 30, 2022.

²The futures and swap contracts effective weighted duration was calculated using notional values (in U.S. dollars) rather than fair values.

Interest rate risk information for debt investments sold short is presented below (in thousands).

FRS Pension Trust Fund
Sold Short¹ Debt Investment Positions
As of June 30, 2022

Investment type	Fair value (duration)	Effective weighted duration (in years)
GNMA commitments to sell (TBAs)	\$ (5,261)	7.46
FNMA, FHLMC commitments to sell (TBAs)	(30,780)	6.10
Total debt investments sold short ¹	<u>\$ (36,041)</u>	

¹Investments sold short are reported as liabilities on the Statement of Fiduciary Net Position.

Presented below are interest rate risk schedules for all debt-related investments managed by the SBA (excluding the FRS Pension Trust Fund), as of June 30, 2022 (in thousands). Certain investment types may be presented using two or more interest rate risk methods if the investment types are managed using different techniques. For example, if investments are purchased to match scheduled debt payments, to coincide with Lottery prize payouts, or are entirely client directed investments, the investments are presented using the segmented time distribution method. If investments are in a portfolio that contains weighted average maturity restrictions, the investments are presented using this method. If investments are subject to certain restrictions on duration, then that method is used. Individual investments are only included in one of the following three methods scheduled below.

Debt Investments Managed by SBA (except FRS Pension Trust Fund)
That Use Segmented Time Distribution Method
As of June 30, 2022

Investment type	Total fair value	Investment maturities (in years)						
		Less than or equal to 1	> 1 to 3	> 3 to 5	> 5 to 10	>10 to 15	> 15 to 20	> 20
U.S. guaranteed obligations:								
U.S. Treasury bills	\$ 425,921	\$ 425,921	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. Treasury bonds, notes, and SLGS*	48,158	48,158	—	—	—	—	—	—
U.S. Treasury strips	253,377	22,652	45,188	46,469	80,757	27,268	17,296	13,747
Total debt investments	<u>\$ 727,456</u>	<u>\$ 496,731</u>	<u>\$ 45,188</u>	<u>\$ 46,469</u>	<u>\$ 80,757</u>	<u>\$ 27,268</u>	<u>\$ 17,296</u>	<u>\$ 13,747</u>

*Special U.S. Treasury securities for State and Local Governments.

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)
That Use Weighted Average Maturity Method or Duration Method
As of June 30, 2022**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ —	N/A	\$ 5,021,914	46
Commercial paper	331,681	0.33	10,599,937	35
Money market funds	32,624	0.09	1,333,617	1
Repurchase agreements	—	N/A	981,000	1
U.S. guaranteed obligations:				
U.S. Treasury bills	64,569	0.05	2,170,180	61
U.S. Treasury bonds and notes	824,527	13.72	7,158,264	631
U.S. Treasury strips	4,474,096	12.63	—	N/A
Index linked government bonds	81,523	5.93	—	N/A
U.S. government guaranteed	388	3.93	—	N/A
U.S. guaranteed (SBA) asset-backed	7,095	5.08	—	N/A
GNMA mortgage-backed pass through	12,502	5.74	—	N/A
GNMA commitments to purchase (TBAs)	74,503	6	—	N/A
GNMA CMO's ¹	8,722	4.42	—	N/A
Federal agencies:				
Unsecured bonds and notes	20,070	8.44	49,989	7
Agency strips	274,478	8.25	—	N/A
Mortgage-backed (FNMA, FHLMC)	99,096	6.45	—	N/A
FNMA, FHLMC commitments to purchase (TBAs)	445,681	8.09	—	N/A
Mortgage-backed CMO's and CMBS ¹	43,711	4.96	—	N/A
Domestic bonds and notes:				
Corporate	2,459,135	11.06	3,660,796	519
Non-government asset and mortgage-backed	332,670	2.29	—	N/A
Non-government backed CMO's and CMBS ¹	347,532	3.26	—	N/A
Municipal/provincial	42,027	7.97	38,455	18
Commingled funds/mutual funds	3,292,633	8.09	—	N/A
International bonds and notes:				
Government and agency	65,201	9.35	46,955	586
Corporate	256,392	9.61	2,010,753	612
Non-government asset and mortgage-backed	106,454	0.00	—	N/A
Mutual fund	20,734	7.5	—	N/A
Futures contracts - long (debt) ²	17	10.44	—	N/A
Futures contracts - short (debt) ²	21	6.54	—	N/A
Total debt investments	<u>\$ 13,718,082</u>		<u>\$ 33,071,860</u>	

¹ Includes Investments in IO's and INV IO's totaling \$13.6 million and \$186 thousand, respectively, at June 30, 2022, in the Florida Prepaid College Program, and \$2.4 million in IO's in the Florida Prepaid Investment Plan.

²The futures contracts effective weighted duration was calculated using notional values (in U.S. dollars) rather than fair values.

Component Units

Component units manage their exposure to interest rate risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable interest rate risk information for major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

**Major Component Units
Debt Investments
That Use Segmented Time Distribution Method
As of June 30, 2022**

Component unit / Investment type	Total fair value	Investment maturities (in years)			
		Less than or equal to 1	> 1 to 5	> 5 to 10	> 10
University of Florida					
U.S. guaranteed obligations	\$ 326	\$ 40	\$ 286	\$ —	\$ —
Federal agencies	3,036	564	231	2,241	—
Bonds & notes	38,837	5,990	2,993	726	29,128
Bond Mutual funds	195,253	16,284	166,119	12,850	—
Total debt investments	<u>\$ 237,452</u>	<u>\$ 22,878</u>	<u>\$ 169,629</u>	<u>\$ 15,817</u>	<u>\$ 29,128</u>

**Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2022**

Component unit / Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in years)
Florida Housing Finance Corporation				
U.S. guaranteed obligations	\$ 260,552	2.14	\$ —	N/A
Federal agencies	31,296	1.79	—	N/A
Bonds & notes	415,506	1.67	—	N/A
Others	—	0.00	—	N/A
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	—	N/A	1,834,250	3.43
Federal agencies	—	N/A	651,273	7.38
Bonds & notes	—	N/A	4,902,975	6.73
International bonds and notes	—	N/A	779,401	5.61
Total debt investments	<u>\$ 707,354</u>		<u>\$ 8,167,899</u>	

4. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

Pooled Investments with the State Treasury

The State Treasury does not have any investments in foreign currency. State law and investment policy do not authorize investments in foreign currency related to State Treasury investment operations.

Other Investments

The FRS Pension Trust Fund, the LCEF, and the Florida Prepaid College Program had exposure to foreign currency risk at June 30, 2022. These funds are managed primarily by the use of “asset classes”.

The FRS Pension Trust Fund investment policy, approved on December 20, 2021 (effective December 1, 2022), by the Trustees, limits the global equity asset class (including domestic and foreign equities) to a policy range of 45-70% and a target allocation of 53%. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. Within the global equity asset class, the FRS Pension Trust Fund also holds units in international equity commingled funds. The FRS Pension Trust Fund owns only a portion of the overall investment in the funds, which are also owned by other investors. Exchange-traded funds (ETFs) are investment funds that hold assets such as stocks or bonds and are traded on the stock exchanges. Participatory notes (P-notes) allow the FRS Pension Trust Fund to participate in certain foreign equity markets where direct participation is not possible due to local government regulations, tax policies, or other reasons. The FRS Pension Trust Fund’s unit holdings in the overall investments or notes themselves may be valued in U.S. dollars, but a portion of the underlying assets are exposed to foreign currency risk in various currencies. Within the alternative investment asset class, the FRS Pension Trust owns an interest in several alternative investment commingled funds (primarily limited partnerships) with other investors and, therefore, owns only a portion of the overall investment in the funds. The alternative investment funds denominated in foreign currency are presented in the foreign currency risk table below by currency. For the alternative investment funds denominated in U.S. dollars, some of the underlying investments may be exposed to foreign currency risk in various currencies. Alternative investments with potential exposure to foreign currency risk totaled approximately \$38.8 billion as of June 30, 2022.

The LCEF fund was almost fully liquidated by the end of the fiscal year ended June 30, 2022, and only held a small amount of illiquid stock exposed to foreign currency risk.

The Florida Prepaid Program’s comprehensive investment plan limits investment in foreign equities to 30% of total equities, with the target for total equities to be 70% of actuarial reserve. The Florida Prepaid Program also holds units in international equity commingled funds.

In all cases, Florida law limits the total exposure to foreign securities outside of commingled funds to 50% of the total fund. There is no requirement that this exposure to foreign currency be hedged through forward currency contracts, although some investment managers use them in many cases.

Presented below in U.S. dollars are the FRS Pension Trust Fund investments exposed to foreign currency risk as of June 30, 2022, listed in total, by currency (in thousands).

FRS Pension Trust Fund
Investments Exposed to Foreign Currency Risk (fair values in U.S.\$, in thousands)
As of June 30, 2022

Currency	Investment Type				
	Equity	Alternative Investments	Fixed Income	Other	Spot Contracts, Net
Australian dollar	\$ 710,386	\$ —	\$ —	\$ 68,883	\$ (287)
Brazilian real	414,038	—	—	—	289
British pound sterling	2,781,503	124,576	12,151	(22,202)	6,273
Canadian dollar	1,317,953	—	3,609	116,359	129
Chilean peso	33,587	—	—	—	—
Chinese yuan renminbi	898,633	—	—	5,135	(1,767)
Colombian peso	913	—	—	—	—
Czech koruna	4,087	—	—	—	—
Danish krone	536,956	—	—	(7,860)	1,065
Egyptian pound	17	—	—	—	—
Euro	6,228,509	1,666,724	91,933	(282,018)	8,419
Hong Kong dollar	2,793,069	—	—	27,440	(3,874)
Hungarian forint	7,172	—	—	—	—
Indian rupee	974,821	—	—	(31,332)	—
Indonesian rupiah	176,591	—	—	—	(74)
Israeli shekel	128,677	—	—	(4,003)	307
Japanese yen	3,203,154	5,973	—	(25,473)	1,091
Kenyan shilling	737	—	—	—	—
Kuwaiti dinar	10,262	—	—	—	—
Malaysian ringgit	55,889	—	—	—	(15)
Mexican peso	174,365	—	—	—	690
New Taiwan dollar	1,128,764	—	—	(7,693)	(12,527)
New Zealand dollar	12,045	—	—	—	—
New Zimbabwe dollar	7,416	—	—	—	—
Norwegian krone	236,731	—	—	—	909
Peruvian sol	80	—	—	—	—
Philippines peso	48,397	—	—	—	49
Polish zloty	59,267	—	—	—	227
Qatari riyal	41,942	—	—	—	—
Romanian new leu	2,565	—	—	—	—
Russian ruble	7,665	—	—	—	—
Saudi Arabian riyal	222,112	—	—	—	—
Singapore dollar	380,514	—	—	6,876	416
South African rand	274,891	—	—	—	(6,629)
South Korean won	1,018,875	—	—	(25,225)	3,934
Swedish krona	416,424	35,660	—	17,830	1,047
Swiss franc	1,454,310	—	—	5,540	(1,325)
Thailand baht	162,639	—	—	—	40
Turkish lira	34,417	—	—	—	—
United Arab Emirates dirham	57,662	—	—	—	—
Vietnam dong	10,892	—	—	—	—
Total foreign currency investments	26,028,927	1,832,933	107,693	(157,743)	(1,613)
Other investments with potential exposure to foreign currency risk:					
Alternative investments	—	38,847,689	—	—	—
P-notes and ETFs	42,318	—	—	—	—
Commingled international equity funds	5,525,991	—	—	—	—
Total investments subject to foreign currency risk	\$ 31,597,236	\$ 40,680,622	\$ 107,693	\$ (157,743)	\$ (1,613)

In addition to the investments presented above, the FRS Pension Trust Fund and the Florida Prepaid Investment Plan hold positions in futures contracts that are subject to foreign currency risk. A futures contract is an agreement between two parties, a buyer and a seller, to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all participants in a market on an organized futures exchange. Upon entering into a futures contract, collateral is deposited with the counterparty, in the SBA's name (or Florida Prepaid's name), in accordance with the initial margin requirements of the counterparty. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the SBA (or Florida Prepaid) and the third-party counterparty. The margin payments are exposed to foreign currency risk. The FRS Pension Trust Fund's futures contract positions at June 30, 2022, that have exposure to foreign currency risk are presented below (values in thousands):

FRS Pension Trust Fund
Futures Positions Exposed to Foreign Currency Risk
As of June 30, 2022

		In Local Currency				
	Currency	Number of Contracts	Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss)	Unrealized Gain/(Loss) (in U.S. \$)
Stock Index Futures:						
MSCI EAFE1	U. S. dollar	4,991	463,069	463,314	245	\$ 245
MSCI Emerging Markets ¹	U. S. dollar	216	10,819	10,829	10	10
Bond Futures:						
Euro Bobl	Euro	(22)	(2,406)	(2,401)	5	5
Euro Bund	Euro	(36)	(5,470)	(5,356)	114	119
Euro Schatz	Euro	(122)	(15,290)	(15,151)	139	146
						<u>\$ 525</u>

¹Futures denominated in U.S. dollars are based on an index that converts the foreign issues to U.S. dollar equivalents at currency market exchange rates.

The FRS Pension Trust Fund did not hold any positions in option or swap contracts that were exposed to foreign currency risk at June 30, 2022.

The FRS Pension Trust Fund, Florida Prepaid Program and Investment Plan also enter into foreign currency exchange contracts which are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. Currently, there are two types of foreign currency contracts being utilized by the FRS Pension Trust Fund. Spot currency contracts are valued at spot (traded) currency rates and are used primarily for trade settlement and currency repatriation. Forward currency contracts are valued at interpolated forward rates and may be used to mitigate currency risk for changes in value associated with foreign holdings, payables and/or receivables. On the Statement of Fiduciary Net Position, individual forward currency contract positions are recorded as net in Other investments, and spot currency contracts are recorded as receivables and payables. In addition, such contracts may be used to seek additional value independent of underlying equity assets. The Florida Prepaid Plans may also use both spot and forward currency contracts, but only the Investment Plan currently utilizes forward currency contracts. All of the contracts are subject to foreign currency risk. A schedule of the FRS Pension Trust Fund's foreign currency exchange contracts outstanding at June 30, 2022, is presented below, by currency (in thousands):

FRS Pension Trust Fund
Foreign Currency Exchange Contracts
As of June 30, 2022

Currency	Forward Currency Contracts				Spot Currency Contracts			
	Receivable Notional	Payable Notional	Net Investment Fair Value	Unrealized Gain/ (Loss)	Receivable Fair Value	Payable Fair Value	Net Receivables/ Payables	Unrealized Gain/ (Loss)
Australian dollar	\$ 91,431	\$ 19,792	\$ 68,883	\$ (2,757)	\$ 557	\$ (844)	\$ (287)	\$ 1
Brazilian real	—	—	—	—	1,030	(741)	289	(2)
British pound sterling	50,262	72,654	(22,202)	189	13,943	(7,670)	6,273	(7)
Canadian dollar	192,534	72,236	116,359	(3,938)	519	(390)	129	—
Chinese yuan	5,045	—	5,135	90	—	(1,767)	(1,767)	(1)
Danish krone	6,182	14,081	(7,860)	39	1,065	—	1,065	1
Euro	175,719	462,490	(282,288)	4,483	30,685	(22,266)	8,419	34
Hong Kong dollar	27,440	—	27,440	(1)	4,227	(8,101)	(3,874)	(2)
Indian rupee	3,309	35,404	(31,332)	763	—	—	—	—
Indonesian rupiah	—	—	—	—	—	(74)	(74)	—
Israeli shekel	1,661	5,856	(4,003)	192	308	(1)	307	(2)
Japanese yen	68,059	95,919	(25,473)	2,388	8,988	(7,897)	1,091	(7)
Malaysian ringgit	—	—	—	—	—	(15)	(15)	—
Mexican peso	—	—	—	—	1,886	(1,196)	690	(1)
New Taiwan dollar	1,513	9,417	(7,693)	211	—	(12,527)	(12,527)	(3)
Norwegian krone	—	—	—	—	947	(38)	909	(1)
Philippines peso	—	—	—	—	65	(16)	49	—
Polish zloty	—	—	—	—	240	(13)	227	1
Singapore dollar	6,998	—	6,876	(122)	419	(3)	416	—
South African rand	—	—	—	—	706	(7,335)	(6,629)	64
South Korean won	4,556	30,931	(25,225)	1,150	4,170	(236)	3,934	—
Swedish krona	22,146	4,191	17,830	(124)	2,632	(1,585)	1,047	(6)
Swiss franc	65,848	57,878	5,540	(2,430)	—	(1,325)	(1,325)	4
Thailand baht	—	—	—	—	40	—	40	—
U.S. dollar	880,849	722,703	158,146	—	74,024	(72,338)	1,686	—
Total	\$ 1,603,552	\$ 1,603,552	\$ 133	\$ 133	\$ 146,451	\$ (146,378)	\$ 73	\$ 73

A schedule of the Lawton Chiles Endowment Fund and Florida Prepaid College Fund investments exposed to foreign currency risk as of June 30, 2022, is presented below, by currency (in thousands):

Lawton Chiles Endowment Fund (LCEF) and Florida Prepaid College Program
Investments Exposed to Foreign Currency Risk (fair values in U.S. \$)
As of June 30, 2022

Currency	LCEF Investment Type	Florida Prepaid Program and Investment Plan Investment Type			
	Equity	Equity	Fixed Income	Other	Spot Foreign Currency Contracts, Net
Australian dollar	\$ —	\$ —	\$ —	\$ (6)	\$ —
British pound sterling	—	21,917	—	16	—
Canadian dollar	—	76,370	—	1	—
Danish krone	—	24,762	—	—	—
Egyptian pound	—	—	—	—	—
Euro	—	161,599	1,072	(1,024)	(76)
Hong Kong dollar	26	40,750	—	—	—
Israeli shekel	—	6,438	—	—	—
Japanese yen	—	58,558	—	—	(169)
Norwegian krone	—	3,142	—	—	—
South African rand	1	4,172	—	—	944
Swedish krona	—	8,381	—	—	—
Swiss franc	—	19,102	—	—	—
Total foreign currency risk	\$ 27	\$ 425,191	\$ 1,072	\$ (1,013)	\$ 699
Other investments with potential exposure to foreign currency risk:					
Commingled international equity funds	—	495,937	—	—	—
Total investments subject to foreign currency risk	\$ 27	\$ 921,128	\$ 1,072	\$ (1,013)	\$ 699

The Florida Prepaid Investment Plan's futures contract positions at June 30, 2022, that have exposure to foreign currency risk are presented below (values in thousands):

Fiduciary Funds (Investment Plan)
Futures Positions Exposed to Foreign Currency Risk
As of June 30, 2022

		In Local Currency				
	Currency	Number of Contracts	Notional Traded Exposure	Notional Market Exposure	Unrealized Gain (Loss)	Unrealized Gain/(Loss) (in U.S. \$)
<u>Bond Futures:</u>						
SFE 10 year t-bond	Australian Dollar	3	357	357	—	(6)
UK long gilt	British pound sterling	(4)	(461)	(456)	5	16
Canada 10 year bond	Canadian dollar	4	493	496	3	1
Euro Buxl 30 year	Euro	(1)	(172)	(164)	8	12
Euro Bund	Euro	(9)	(1,356)	(1,339)	17	44
						\$ 67

A Schedule of the Florida Prepaid College Plan's foreign currency exchange contracts outstanding at June 30, 2022, is presented below, by currency (in thousands):

**Florida Prepaid College Plans
Foreign Currency Exchange Contracts
As of June 30, 2022**

Currency	Florida Prepaid Investment Plan				Florida Prepaid Program			
	Forward Currency Contracts				Spot Currency Contracts			
	Receivable Notation	Payable Notation	Total Market Value	Unrealized Gain/ (Loss)	Receivables	Payables	Net Receivables/ Payables	Net Unrealized Gain/(Loss)
Euro	\$ 144	\$ 1,250	\$ (1,080)	\$ 26	\$ —	\$ (76)	\$ (76)	\$ —
Japanese yen	—	—	—	—	—	(169)	(169)	—
South African rand	—	—	—	—	944	—	944	(16)
U.S. dollar	1,250	144	1,106	—	245	(960)	(715)	—
Total	<u>\$ 1,394</u>	<u>\$ 1,394</u>	<u>\$ 26</u>	<u>\$ 26</u>	<u>\$ 1,189</u>	<u>\$ (1,205)</u>	<u>\$ (16)</u>	<u>\$ (16)</u>

Note: Spot currency contracts are reported gross as receivables and payables on the Statement of Net Position. Forward currency contracts are treated as derivatives and are reported at net fair value on the Fiduciary Statement of Net Position.

Component Units

Component unit information regarding foreign currency risk was unavailable.

5. Security Lending

Pooled Investments with the State Treasury

Section 17.61(1), F.S. authorizes the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. government and federally guaranteed obligations, bonds, and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral for loaned securities cannot be less than 100 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash or government securities. Cash collateral is invested by the agent in investments authorized by Section 17.57, F.S. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. The collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest) on June 30, 2022. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses that might occur. The State Treasury received \$3,840,077,350 cash collateral and \$3,065,198,276 non-cash collateral for securities loaned to others. Since the State Treasury does not have the ability to pledge or sell non-cash collateral securities, any non-cash portion of the collateral is not reported on the balance sheet. Securities held with others under security lending agreements with cash collateral totaled \$3,754,535,058. Securities held with others under security lending agreements with non-cash collateral totaled \$2,991,626,897. Security lending asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government.

The securities held with others under security lending agreements as of June 30, 2022, are as follows (in thousands):

**State Treasury Investments on Loan Under Security Lending Agreements
As of June 30, 2022**

Securities on Loan for Cash Collateral, by Security Type	Fair Value of Securities on Loan*
U.S. guaranteed obligations	\$ 2,942,120
Federal agencies	6,367
Domestic bonds and notes	629,801
International bonds and notes	176,247
Total securities on loan for cash collateral	3,754,535
 Securities on Loan for Non-Cash Collateral, by Security Type	
U.S. guaranteed obligations	2,983,888
Domestic bonds and notes	6,147
International bonds and notes	1,592
Total securities on loan for non-cash collateral	2,991,627
Total securities on loan	\$ 6,746,162

*The fair value equals the carrying value of the investments on loan.

Other Investments

Through the SBA, various funds, including the FRS Pension Trust Fund and the Florida Prepaid College Program participate in security lending programs during the fiscal year ended June 30, 2022. Initial collateral requirements for securities on loan range from 100% to 105%, depending on the lending agent, the type of security lent and the type of collateral received. The SBA had received and invested approximately \$2.4 billion in cash and \$6.0 billion in U.S. government and federal agency securities as collateral for the lending programs as of June 30, 2022. At June 30, 2022, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest). Most security lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. The FRS Pension Trust Fund also participated indirectly in security lending through investments in three commingled funds that do not offer borrower indemnification. The Fund receives a proportionate share of the security lending income generated from these activities. The SBA does not have the ability to pledge or sell the non-cash collateral securities, so the non-cash portion is not reported on the balance sheet or the Statement of (Fiduciary) Net Position. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased for some security lending programs included investments with final maturities of six months or more representing a range of approximately 6% to 15% of total collateral invested. There are no restrictions on the amount of securities that can be loaned at one time to one borrower for most funds.

At June 30, 2022, the collateral re-investment portfolios for the FRS Pension Trust Fund was primarily reinvested in selected money market funds in order to maximize earnings and reduce risk. The portfolios contain some legacy securities that will remain until they are either sold or mature. At June 30, 2022, there were four lending agents, including the two master custodians and two third-party agents.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2022 (in thousands):

**Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2022**

Securities on Loan for Cash Collateral, by Security type	Fair value of Securities on Loan ¹		
	FRS Pension Trust Fund	Other Funds Managed by SBA	Total
U.S. guaranteed obligations	\$ 354,573	\$ 1,196,943	\$ 1,551,516
Federal agencies	26,427	79,186	105,613
Domestic bonds and notes	83,037	121,483	204,520
International bonds and notes	78,119	24,159	102,278
Domestic stocks	109,690	19,309	128,999
International Stocks	249,227	12,292	261,519
Total Securities on loan for cash collateral	901,073	1,453,372	2,354,445
Securities on Loan for Non-Cash Collateral, by Security type			
U.S. guaranteed obligations	\$ 1,020,027	\$ 716,194	\$ 1,736,221
Federal agencies	2,702	—	2,702
Domestic bonds and notes	194,582	41,971	236,553
International bonds and notes	42,626	8,892	51,518
Domestic stocks	2,843,866	19,406	2,863,272
International stocks	782,131	93,896	876,027
Total securities on loan for non-cash collateral	4,885,934	880,359	5,766,293
Total securities on loan	\$ 5,787,007	\$ 2,333,731	\$ 8,120,738

¹ The fair value of debt securities on loan includes accrued interest.

6. Derivatives

A derivative instrument is defined as a financial instrument or other contract that has all of the following characteristics:

- Settlement factors – It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. These terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- Leverage – It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- Net Settlement – Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative instruments consisted of futures, forward currency contracts, and swaps. Although allowed in the FRS Pension Trust Fund, no options were traded during the fiscal year ended June 30, 2022.

Pooled Investments with the State Treasury

Pursuant to the State Treasury's established investment policy guidelines, interest rate futures are used as part of the investment strategy related to interest rate risk, duration adjustments, and yield curve strategies. Although put and call options on any security are permitted under the State Treasury's investment guidelines, interest rate futures were the only type of derivative held as of June 30, 2022. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2022. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2022.

A summary of investment derivatives traded in the State Treasury is presented below (in thousands):

	Notional (in U.S. \$)	Changes in Fair Value		Fair Value at June 30, 2022	
		Classification	Amount	Classification	Amount
State Treasury					
Investment derivatives:					
Futures	\$ 133,100	Investment Income	\$ (5,589)	Receivable/(Payable)	\$ 467

This schedule includes both long and short positions.

See section 1E of Note 1 to these financial statements regarding State Treasury's securities pricing policies and independent pricing services methodologies related to securities not available on quoted market pricing exchanges.

Other Investments

The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized to be used as tools for managing risk or executing investment strategies more efficiently than could otherwise be done in cash markets, and may only be used as part of a prudent investment process. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, default risk, and mortgaged-backed security prepayment risk, and to effectively manage exposure to domestic and international equities, bonds, and real estate markets.

A futures contract is an agreement between a buyer and a seller to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all members in a market on an organized futures exchange. Upon entering into a futures contract, collateral (cash and/or securities) is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends on specified collateral and margin limits mutually agreed upon by the SBA and third-party counterparty. Future contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Position. Losses may arise from future changes in the value of the underlying instrument.

An option gives the buyer a stipulated privilege of buying or selling a stated property, security, or commodity at a given price (strike price) within a specified time (for an American-style option, at any time prior to or on the expiration date). A securities option is a negotiable contract in which the seller (writer), for a certain sum of money called the option premium, gives the buyer the right to demand within a specified time the purchase (call) from or sale (put) to the option seller of a specified number of bonds, currency units, index units, or shares of stock, at a fixed price or rate, called the strike price. There were no option contracts traded during the fiscal year ended June 30, 2022.

A forward currency contract is a contractual obligation, typically over-the-counter, traded between two parties to exchange a particular good or instrument (i.e., currency) at a set price on a future date. The buyer of the forward agrees to pay the price and take delivery of the good or instrument and is said to be "long" the forward contract, while the seller of the forward, or "short", agrees to deliver the good or instrument at the agreed price on the agreed date.

A swap is a contractual agreement to exchange a stream of periodic payments utilizing a central clearing house, whereby, each party in the transaction enters into a contract with the central counterparty. These agreements may be over-the-counter or exchange-traded. Upon entering into a swap contract through a clearing house, collateral is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. Swaps are available in and between all active financial markets. Examples include:

Interest rate swap – An agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate.

Credit default swap – An agreement that allows one party to “buy” protection from another party for losses that might be incurred as a result of default by a specified reference credit (or credits). The “buyer” of protection pays a premium for the protection, and the “seller” of protection agrees to make a payment to compensate the buyer for losses incurred if a defined credit event occurs.

A summary of investment derivatives traded in the FRS Pension Trust Fund is presented below. As of June 30, 2022, all of the SBA investment derivatives were reported at fair value (in thousands).

		Increase/(Decrease) in Fair Value		Fair Value at June 30, 2022	
	Notional (in U.S. \$)	Classification	Amount (in U.S. \$)	Classification	Amount (in U.S. \$)
Fiduciary funds (FRS Pension Trust Fund)					
Investment derivative instruments:					
Futures¹					
Futures (debt)	\$ 3,800,581	Investment Income	\$ (123,732)	Investment	\$ (5,745)
Futures (equity)	\$ 2,167,412	Investment Income	(289,745)	Investment	12,656
Total futures			<u>\$ (413,477)</u>		<u>\$ 6,911</u>
Forward currency contracts	\$ 1,603,552	Investment Income	<u>\$ 61,150</u>	Investment	<u>\$ 133</u>
Swaps					
Credit default swaps	\$ 434,600	Investment Income	\$ 1,117	Investment	\$ (500)
Interest rate swaps	\$ 132,373	Investment Income	(244)	Investment	322
Total swaps			<u>\$ 873</u>		<u>\$ (178)</u>

¹ The total notional values of long and short fixed income futures positions were \$3.0 billion and \$786.4 million, respectively. The total notional value of long equity futures positions was \$2.2 billion.

A summary of the derivatives traded in the Florida Prepaid Investment Plan is presented below. The Florida Prepaid College Program did not trade any investment derivatives during the fiscal year ended June 30, 2022.

	Notional (in U.S. \$)	Increase/(Decrease in Fair Value)		Fair Value at June 20, 2022		
		Classification	Amount (in U.S. \$)	Classification	Amount (in U.S. \$)	
Fiduciary funds (Investment Plan)						
Investment derivative instruments:						
Futures (debt) ¹	\$ 11,788	Investment Income	\$ (93)	Investment Income	\$ 38	
Forward currency contracts	\$ 1,394	Investment Income	\$ 293	Investment Income	\$ 26	

¹ The total notional values of long and short debt futures positions were \$5.2 million and \$6.6 million, respectively.

7. Commitments

Each year the FRS Pension Trust Fund enters into a number of agreements that commit the Fund, upon request, to make additional investment purchases (i.e., capital commitments) up to predetermined amounts over certain investment time periods. The unfunded capital commitments for private equity, real estate and strategic investments not reported on the FRS Pension Trust Fund Statement of Fiduciary Net Position totaled \$17.2 billion as of June 30, 2022.

8. Fair Value Hierarchy

The state categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are unadjusted quoted prices in active markets for identical assets. Level 2 inputs are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active. Level 3 inputs are significant unobservable inputs.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Pooled Investments with the State Treasury

Securities classified in Level 1 are valued using quoted prices from the custodian bank's primary external pricing vendors.

Securities classified in Level 2 are evaluated prices from the custodian bank's primary external pricing vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data, collateral attributes, broker bids, new issue pricings and other observable market information.

Debt and equity securities classified as Level 3 are valued with prices from the custodian bank's external pricing vendors or an alternative pricing source, utilizing inputs such as stale prices, cash flow models, broker bids, or cost. Cost or book value may be used as an estimate of fair value when there is a lack of an independent pricing source.

Certain investments, such as money market funds and repurchase agreements, are not included in the table, because they are carried at cost and not priced at fair value. Unemployment compensation funds are not included in the table, because this money is pooled with deposits from other states and is managed by the Federal Government. No disclosures can be made of specific securities owned.

At June 30, 2022, the State Treasury had the following recurring fair value measurements (in thousands):

**Investments and Derivative Instruments Measured at Fair Value
As of June 30, 2022**

Investments by fair value level	Total	Level 1	Level 2	Level 3
Commercial paper	\$ 274,957	\$ —	\$ 274,957	\$ —
U.S. guaranteed obligations	34,356,453	33,651,593	704,860	—
Federal agencies	9,244,915	—	9,244,915	—
Bonds and notes - domestic	9,214,347	—	9,214,347	—
Bonds and notes - international	1,497,618	24,451	1,473,167	—
Commingled STIF	675,415	—	—	675,415
Lending collateral investments:				
Commercial Paper	87,911	—	87,911	—
Federal Agencies	461,211	—	461,211	—
Bonds and notes - domestic	190,116	—	190,116	—
Bonds and notes - international	5,397	—	5,397	—
Total investments by fair value level	<u>\$ 56,008,340</u>	<u>\$ 33,676,044</u>	<u>\$ 21,656,881</u>	<u>\$ 675,415</u>
Investment derivative instruments				
Futures contracts	\$ 469	\$ 469	\$ —	\$ —
Total investment derivative instruments	<u>\$ 469</u>	<u>\$ 469</u>	<u>\$ —</u>	<u>\$ —</u>

Other Investments

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted prices at June 30 (or the most recent market close date if the markets are closed on June 30) in active markets from the custodian bank's primary external pricing vendors, which utilize primary exchanges.

Debt securities classified in Level 2 are valued using evaluated prices from the custodian bank's external pricing vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data, collateral attributes, broker bids, new issue pricings and other observable market information.

Equity securities classified as Level 2 are valued using evaluated prices provided by the custodial bank's external pricing vendors, or alternative pricing source, such as investment managers, if information is not available from the custodial bank's external pricing vendors.

Debt and equity securities classified as Level 3 are valued using prices from the custodian bank's external pricing vendors or an alternative pricing source, utilizing inputs such as stale prices, cash flow models, or broker bids. Cost or book value may be used as an estimate of fair value when there is a lack of an independent pricing source.

Derivative instruments classified in Level 1 of the fair value hierarchy are valued using exchange traded prices as provided by the custodian bank's external pricing vendors. Derivative instruments classified as Level 2 receive clearing house prices, which are based on models that reflect the contractual terms of the derivative instruments.

Private equity funds and real estate direct investments classified as Level 3 are valued using external appraisals as described in the footnotes for the *Additional GASB 72 Required Disclosures* table, footnotes 13 and 15, respectively. Other private equity funds are measured at net asset value (NAV).

Certain investments, such as money market funds, repurchase agreements and U.S. guaranteed State and Local Government Series (SLGS) securities are not reported at fair value in the tables below because they are carried at cost and not priced at fair value. Additionally, U.S. guaranteed securities in the Debt Service Escrowed Fund and all investments of the Local Government Surplus Funds Trust Fund are not included at fair value in the tables below because they are carried at cost and amortized cost, respectively. See page 85 for information to obtain the Local Government Surplus Funds Trust Fund investment detail. Commingled investments are measured at the NAV per share (or its equivalent).

The FRS Pension Trust Fund had the following fair value measurements as of June 30, 2022 (in thousand):

FRS Pension Trust Fund As of June 30, 2022				
<u>Investments by fair value level</u>	Fair Value Measurement Using			
	Total Fair Value	Level 1	Level 2	Level 3
Debt securities				
Certificates of deposit	\$ 403,384	\$ —	\$ 403,384	\$ —
Commercial paper	5,305,755	—	5,305,755	—
U.S. guaranteed obligations	11,684,983	—	11,684,983	—
Federal agencies	7,741,992	—	7,741,992	—
Domestic bonds and notes	9,550,418	—	9,475,168	75,250
International bonds and notes	3,072,594	—	2,376,709	695,885
Total debt securities	37,759,126	—	36,987,991	771,135
Equity securities				
Domestic	50,373,390	50,373,390	—	—
International	29,498,209	29,409,421	—	88,788
Total equity securities	79,871,599	79,782,811	—	88,788
Commingled international equity funds	238,625	—	238,625	—
Alternative Investments				
Private equity fund	161,000	—	—	161,000
Real Estate direct investments	14,011,500	—	—	14,011,500
Derivative Instruments, net				
Forward currency contracts	133	—	133	—
Futures contracts	6,911	6,911	—	—
Swap contracts	(178)	—	(178)	—
Total Investment derivative instruments	6,866	6,911	(45)	—
Securities lending collateral investments				
Domestic bonds and notes	34,023	—	34,023	—
Total investments by fair value level	132,082,739	\$ 79,789,722	\$ 37,260,594	\$ 15,032,423
Investments Measured at the Net Asset Value (NAV)				
Commingled international equity funds	5,287,366			
Commingled real estate investment funds	2,710,806			
Activist equity funds	1,348,471			
Hedge funds	4,901,024			
Insurance funds	964,715			
Private debt/credit opportunities funds	5,180,035			
Private equity funds	20,844,534			
Private real asset funds	7,280,843			
Total investments measured at the NAV	48,517,794			
Total investments measured at fair value	180,600,533			
Other investments carried at amortized cost				
Money market funds	28,558			
Money market funds - security lending collateral	909,486			
Repurchase agreements	1,200,000			
Total investments carried at amortized cost	2,138,044			
Total investments	\$ 182,738,577			
Investments sold short (Liabilities) measured at fair value				
U.S. guaranteed obligations	\$ (5,261)	\$ —	\$ (5,261)	\$ —
Federal agencies	(30,780)	—	(30,780)	—
Total investments sold short	\$ (36,041)	\$ —	\$ (36,041)	\$ —

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2022, is presented in the footnotes to the table below (in thousands):

FRS Pension Trust Fund Additional GASB 72 Required Disclosures					
	Fair Value 6/30/2022	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Investments Measured at the NAV:					
Commingled international equity funds ¹	\$ 5,287,366	\$ —	Daily, Monthly	2 - 120 days	
Commingled real estate investment funds ²	2,710,806	—	Quarterly	15 - 90 days	
Activist equity funds ³	1,348,471	—	Monthly, Annually	65 - 90 days	
Hedge funds					
Diversifying strategies (managed futures) ⁴	1,689,211	—	Daily, Monthly	10 - 35 days	
Equity long/short ⁵	449,443	—	Monthly, Quarterly	30 - 60 days	
Event driven ⁶	200,002	15,000	None currently eligible		
Global macro ⁷	412,945	—	Monthly, Quarterly	5 - 30 days	
Multi-strategy ⁸	1,284,364	—	Quarterly, Annually, Biennially	30 - 90 days	
Opportunistic debt ⁹	466,508	—	Quarterly, Annually	60 - 90 days	
Relative value ¹⁰	398,551	—	Quarterly	60 days	
Insurance funds ¹¹	964,715	223,216	Monthly, Quarterly, Biannually	30 - 90 days	
Private debt/credit opportunity funds ¹²	5,180,035	4,155,747			
Private equity funds ¹³	20,844,534	7,952,972			
Private real asset funds ¹⁴	7,280,843	4,621,591			
Total Investments Measured at the NAV	<u>\$ 48,517,794</u>	<u>\$ 16,968,526</u>			
Investments Measured at Level 3:					
Private equity funds ¹³	\$ 161,000	\$ —			
Real estate direct investments ¹⁵	\$ 14,011,500	\$ 214,170			

¹ *Commingled International Equity Funds.* The six funds in this group are primarily invested in publicly traded international equity securities. Three of these funds focus on emerging markets. Each are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Three funds within this strategy are redeemable daily, two funds are redeemable monthly, and the remaining fund is currently in the liquidation process with a residual balance remaining.

² *Commingled Real Estate Investment Funds.* The nine funds in this group consist primarily of real estate investments owned directly or through partnership interests located in the United States. These investments include multi-family, industrial, retail, office, apartments and mortgage loans on income producing property. Each are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Eight funds within this strategy are eligible for redemption quarterly, and the remaining fund is subject to contractual lock-up restrictions and not currently eligible for redemption.

³ *Activist Equity Funds.* The four funds in this group invest in public companies with the intent to effect positive change through influencing management. The funds may be structured with a focus on specific domestic or foreign geographic regions. These investments are valued at the NAV per share. One fund (approximately 42% of this strategy) is currently eligible for redemption monthly. Another fund (approximately 26% of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining two funds (approximately 32% of this strategy) are subject to contractual lock-up restrictions and are not currently eligible for redemption.

⁴ *Diversifying Strategies (Managed Futures) Hedge Funds.* The three funds that make up this group primarily trade equity and commodity futures, but can also participate in indexes, rates and currencies across global markets. These funds use a systematic approach and focus on trends in price and other market signals. These investments are valued at the NAV per share. All funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within one month or less.

⁵ *Equity Long/Short Hedge Funds.* Consisting of three funds, this strategy invests both long and short, primarily in U.S. and global stocks that are mispriced by the markets. These managers vary in their use of short selling, leverage and definitions of growth or value. These funds are valued at the NAV per share. All funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within three months or less.

⁶ *Event Driven Hedge Funds.* The two funds in this group seek to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. These investments are valued at the NAV per share. Both funds within this strategy are subject to contractual lock-up restrictions and not currently eligible for redemption.

⁷ *Global Macro Hedge Funds.* Consisting of two funds, which base their holdings (such as long and short positions in various equity, fixed income, currency, and futures markets) primarily on overall economic and political view of various countries. These funds are valued at the NAV per share. Both funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within one month.

⁸ *Multi-Strategy Hedge Funds.* The five funds in this group aim to diversify risks and reduce volatility by combining other strategies. These strategies are usually a mix of Equity Long/Short, Event-Driven, or Opportunistic Debt and Relative Value. These funds are valued at the NAV per share. Four funds (approximately 74% of this strategy) are currently eligible for redemption within three months due to quarterly redemption restrictions. One fund (approximately 26% of this strategy) is eligible for redemption biennially (for each commitment) with the next redemption in six months.

⁹ *Opportunistic Debt Hedge Funds.* Consisting of four funds that pursue various strategies and asset classes, with an emphasis on mispriced debt or equity of companies in distress. These managers vary in their focus on early versus late stage situations, senior versus subordinated levels on the capital structure and non-traditional areas including high yield bonds and Emerging Markets debt, and may also pursue relative value and arbitrage strategies with various debt instruments. These funds are valued at the NAV per share. The funds in this strategy are currently eligible for redemption in three to six months due to quarterly and annual redemption restrictions.

¹⁰*Relative Value Hedge Funds.* Consisting of one fund, this strategy focuses on benefiting from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing (long) or selling (short) these instruments. These investments are valued at the NAV per share. The one fund in this strategy is no longer subject to contractual lock-up restrictions and eligible for redemption within three months.

¹¹*Insurance funds.* The seven funds in this group invest primarily in reinsurance contracts and insurance-linked securities. These investments are valued at NAV per share. One fund (approximately 27%) has varying restrictions due to underlying investment funds and redeemable within one to three months. Two funds (approximately 31%) are eligible for redemption within seven months or less due to biannual redemptions restrictions. The remaining four funds (approximately 42%) are not eligible for redemption due to contractual lock-up restrictions.

¹²*Private Debt/Credit Opportunity Funds.* There are 77 private debt/credit funds investing primarily in Distressed, Mezzanine and Loans with some exposure to Special Situations. The fair value of these funds has been determined using the NAV at June 30, 2022 or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹³*Private Equity funds.* There are 249 private equity funds investing primarily in Leveraged Buyouts funds, Venture Capital funds, Secondary funds and Growth funds with some exposure to Special Situations, Diversifying Strategies and GP Investments. The fair value of 248 funds has been determined using the NAV at June 30, 2022, or one quarter in arrears adjusted for current quarter cash flows. The fair value of the remaining 1 fund (approximately 1% of the value of these investments) is based on external appraisals at June 30, 2022, and classified as Level 3. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹⁴*Private Real Asset Funds.* There are 100 real asset funds, 66 of which invest in real estate assets such as commercial office buildings, retail properties, multi-family residential properties, developments or hotels. In addition, the funds may be structured with a focus on specific geographic domestic or foreign regions. The remaining 34 funds invest in infrastructure, timberland, transportation and commodities. The fair value of these funds has been determined using the NAV at June 30, 2022, or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹⁵*Direct Real Estate Investments.* There are 80 direct owned/joint venture real estate assets that are valued based on annual external and/or quarterly internal appraisals and are classified as Level 3.

The schedule below discloses the fair value measurements for all other funds managed by the SBA (excluding the FRS Pension Trust Fund) at June 30, 2022, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
As of June 30, 2022

Investments by fair value level	Fair Value Measurement Using			
	Total Fair Value	Level 1	Level 2	Level 3
Debt securities				
Commercial paper	\$ 1,420,656	\$ —	\$ 1,420,656	\$ —
U.S. guaranteed obligations	15,398,558	—	15,397,785	773
Federal agencies	933,025	—	933,025	—
Domestic bonds and notes	6,314,213	—	6,313,956	257
International bonds and notes	2,485,755	—	2,485,755	—
Total debt securities	26,552,207	—	26,551,177	1,030
Equity securities				
Domestic	787,025	787,025	—	—
International	578,424	578,398	—	26
Total equity securities	1,365,449	1,365,423	—	26
Investment derivative instruments				
Forward currency contracts	26	—	26	—
Futures contracts	38	38	—	—
Total Investment derivative instruments	64	38	26	—
Other investments				
Domestic bonds and notes mutual funds	201,101	201,101	—	—
International bonds and notes mutual funds	20,734	20,734	—	—
Domestic equity mutual funds	1,986,634	1,986,634	—	—
International equity mutual funds	917,087	917,087	—	—
Self-directed brokerage account	1,031,641	—	1,031,641	—
Total other investments	4,157,197	3,125,556	1,031,641	—
Securities lending collateral investments				
Certificates of deposit	426,970	—	426,970	—
Commercial paper	335,645	—	335,645	—
Total securities lending collateral investments	762,615	—	762,615	—
Total investments by fair value level	32,837,532	\$ 4,491,017	\$ 28,345,459	\$ 1,056
Investments Measured at the Net Asset Value (NAV)				
Commingled domestic bonds and notes funds	3,091,532			
Commingled domestic equity funds	4,012,485			
Commingled international equity fund	1,947,312			
Commingled real asset fund	999,064			
Total investments measured at the NAV	10,050,393			
Total investments measured at fair value	42,887,925			
Other investments carried at cost or amortized cost				
Money market funds	1,366,241			
Certificates of deposit	4,594,944			
Commercial paper	9,175,317			
Repurchase agreements	364,000			
Repurchase agreements - security lending collateral	617,000			
U.S. guaranteed obligations	205,267			
Domestic bonds and notes	566,402			
Total investments carried at cost or amortized cost	16,889,171			
Total investments	\$ 59,777,096			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2022, is presented in the footnotes to the table below (in thousands):

**All SBA Managed Funds (except FRS Pension Trust Fund)
Additional GASB 72 Disclosures**

	6/30/2022	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV				
Commingled domestic bonds and notes funds ¹	\$ 3,091,532	\$ —	Daily	2 - 15 Days
Commingled domestic equity funds ²	4,012,485	—	Daily	1 - 5 Days
Commingled international equity fund ³	1,947,312	—	Daily	2 Days
Commingled real asset funds ⁴	999,064	—	Daily	1 - 15 Days
Total investments measured at the NAV	<u>\$ 10,050,393</u>			

¹*Commingled Domestic Bonds and Notes Funds:* One Treasury Inflation-Protected Securities (TIPS) fund, six domestic bonds and notes funds and two stable value funds are considered to be commingled in nature. The TIPS fund seeks long-term real total return and is designed to keep pace with inflation. The six domestic bonds and notes funds utilize various investment strategies such as short/intermediate duration, index/benchmark tracking, high-yield, and corporate/government investment grade debt. The two stable value funds consist of fixed income securities and wrap contracts, and focus on the preservation of capital by retaining the value of investment with limited volatility. Each fund is valued at the NAV of units held at the end of the period, based upon the fair value of the underlying investments. There were no unfunded commitments related to this investment type.

²*Commingled Domestic Equity Funds:* Five domestic equity funds are considered to be commingled in nature. The domestic equity funds utilize various investment strategies such as index/benchmark tracking, small/mid cap, and large cap growth/value seeking appreciation and income. Each fund is valued at the NAV of units held at the end of the period, based upon the fair value of the underlying investments. There were no unfunded commitments related to this investment type.

³*Commingled International Equity Fund:* One international equity fund is considered to be commingled in nature. The fund invests in a portfolio of international equity securities whose total rates of return will approximate as closely as practicable the capitalization weighted total rates of return of the markets in certain countries for equity securities traded outside the United States. The fund is valued at the NAV of units held at the end of the period, based upon the fair value of the underlying investments. There were no unfunded commitments related to this investment type.

⁴*Commingled Real Asset Funds:* These two funds consist of various investments such as commodities, real estate, floating rate loans, energy industry Master Limited Partnerships, global infrastructure and agriculture. These funds are valued at the NAV of units held at the end of the period, based upon the fair value of the underlying investments. There were no unfunded commitments related to this investment type.

Component Units

Securities classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets from the custodian bank's primary external pricing vendors.

Securities classified in Level 2 are evaluated prices from the custodian bank's primary external pricing vendors, or alternative pricing source, such as investment managers, if information is not available from the primary vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data for similar securities, collateral attributes, broker bids, new issue pricings and other observable market information.

Securities classified as Level 3 are valued with prices from the custodian bank's external pricing vendors or an alternative pricing source, utilizing cash flow models.

Certain investments, such as commercial paper, repurchase agreements, money market funds, and various investment agreements, are not included in the table, because they are carried at cost and not priced at fair value.

The schedule below discloses the fair value measurements for major component units at June 30, 2022, (in thousands):

**Major Component Units
As of June 30, 2022**

Investment by fair value level	Fair Value Measurement Using			
	Total Fair Value	Level 1	Level 2	Level 3
Florida Housing Finance Corporation (FHFC)				
<u>Debt securities</u>				
Commercial paper	\$ 537	\$ —	\$ 537	\$ —
U.S. guaranteed obligations	1,532,513	—	1,532,513	—
Federal agencies	21,989	—	21,989	—
Domestic bonds and notes	498,611	—	498,611	—
Total debt securities	2,053,650	—	2,053,650	—
Other investments	—	—	—	—
Total FHFC investments by fair value level	\$ 2,053,650	\$ —	\$ 2,053,650	\$ —
Citizens Property Insurance Corporation (CPIC)				
<u>Debt securities</u>				
U.S. guaranteed obligations	\$ 1,834,250	\$ 1,831,671	\$ 2,579	\$ —
Federal agencies	651,273	—	651,273	—
Domestic bonds and notes	4,902,975	—	4,902,975	—
International bonds and notes	779,401	1,685	777,716	—
Total CPIC investments by fair value level	\$ 8,167,899	\$ 1,833,356	\$ 6,334,543	\$ —
University of Florida (UF)				
<u>Debt securities</u>				
Commercial paper	\$ 2,129	\$ —	\$ 2,129	\$ —
U.S. guaranteed obligations	326	—	326	—
Federal agencies	3,036	2,472	564	—
Domestic bonds and notes	38,817	29,647	9,170	—
Total debt securities	44,328	32,119	12,209	—
<u>Equity securities</u>				
Domestic	5,464	5,396	68	—
International	354	354	—	—
Total equity securities	5,818	5,750	68	—
Swap contracts (debt)	1,243	—	1,145	97
Mutual funds	343,090	228,971	109,432	4,687
Real estate investments	32	32	—	—
Other investments	49,427	31,393	15,743	2,292
Total UF investments by fair value level	443,938	\$ 298,265	\$ 138,597	\$ 7,076
Investments Measured at the Net Asset Value (NAV)				
		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
University of Florida				
International equity ¹	\$ 161	\$ —	Illiquid	N/A
Real estate investments ²	5,487	—	Illiquid	N/A
Hedge funds ³	6,479	—	Quarterly	45 Days
Private equity funds ⁴	4,676,237	382,163	Monthly	30 days
Total investments measured at the NAV	4,688,364			
Total investments measured at fair value	\$ 5,132,302			

¹International equity: This category included an investment in a foreign-based publicly-traded company focused on providing law enforcement with new tools and technology.

²Real estate investments: This category includes an investment in the form of real estate with donor restrictions. The real estate is held at fair value less estimated costs to sell.

³Hedge Funds: This category includes an investment in a hedge fund in which the fund manager is authorized to invest in a broad spectrum of securities that include, but are not limited to the following: equity and debt securities, currency, commodities, foreign debt, options, futures and swaps.

⁴Private Equity Funds: This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies.

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NOTE 4 - RECEIVABLES AND PAYABLES

“Receivables, net” and “Other loans and notes receivable, net,” as presented on the Government-wide Statement of Net Position and the applicable balance sheets and statements of net position in the fund financial statements, consist of the following (in thousands):

GOVERNMENTAL ACTIVITIES

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Accounts receivable	\$ 123,545	\$ 9,473	\$ 264	\$ 1,169,913	\$ 11,466
Contracts & grants receivable	116	348	—	—	2,510
Due from Federal government	3,069	50,708	4,089	2,360,079	31,447
Due from other governmental units	364	11,360	—	70	21,824
Interest & dividends receivable	36,714	1,423	1,293	349	6,108
Loans & notes receivable	100,399	175,271	—	—	—
Fees receivable	141,672	1,114	—	—	—
Taxes receivable	4,174,637	29,290	—	—	269,802
Allowance for uncollectibles	(2,155,809)	(11,589)	(156)	(55,527)	(13,503)
Receivables, net	\$ 2,424,707	\$ 267,398	\$ 5,490	\$ 3,474,884	\$ 329,654
Loans & notes receivable from other governments	\$ —	\$ 1,877,501	\$ —	\$ —	\$ 369,643
Long-term interest receivable	—	—	—	—	390
Other loans & notes receivable	1,213	—	3,384	307,231	62,582
Allowance for uncollectibles	(83)	—	(2,796)	(270,449)	(253)
Other loans & notes receivable, net	\$ 1,130	\$ 1,877,501	\$ 588	\$ 36,782	\$ 432,362

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts receivable	\$ 422,014	\$ 1,736,675	\$ 48,084	\$ 120,504	\$ 1,905,263
Contracts & grants receivable	21,009	23,983	—	—	23,983
Due from Federal government	519,783	2,969,175	—	—	2,969,175
Due from other governmental units	51,753	85,371	2,335	—	87,706
Interest & dividends receivable	2,454	48,341	486	—	48,827
Loans & notes receivable	98,608	374,278	—	—	374,278
Fees receivable	171	142,957	—	—	142,957
Taxes receivable	20,413	4,494,142	—	—	4,494,142
Allowance for uncollectibles	(199,876)	(2,436,460)	(13,552)	—	(2,450,012)
Receivables, net	\$ 936,329	\$ 7,438,462	\$ 37,353	\$ 120,504	\$ 7,596,319
Loans & notes receivable from other governments	\$ 608,104	\$ 2,855,248	\$ —	\$ —	\$ 2,855,248
Long-term interest receivable	—	390	—	—	390
Other loans & notes receivable	1,219,578	1,593,988	—	—	1,593,988
Allowance for uncollectibles	(15,245)	(288,826)	—	—	(288,826)
Other loans & notes receivable, net	\$ 1,812,437	\$ 4,160,800	\$ —	\$ —	\$ 4,160,800

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts receivable	\$ 13,741	\$ 46,612	\$ 100,911	\$ 377,537	\$ 904,124
Due from Federal government	—	—	—	—	13,035
Due from other governmental units	203	—	—	—	447
Interest & dividends receivable	1,351	388	38,160	38,928	61,579
Loans & notes receivable	—	—	—	293,442	—
Fees receivable	6,248	—	—	—	1,249
Taxes receivable	—	—	—	—	167,186
Allowance for uncollectibles	—	(4,916)	(1,246)	—	(884,697)
Receivables, net	\$ 21,543	\$ 42,084	\$ 137,825	\$ 709,907	\$ 262,923
Loans & notes receivable	\$ 74,511	\$ —	\$ —	\$ 1,794,661	\$ —
Other loans & notes receivable, net	\$ 74,511	\$ —	\$ —	\$ 1,794,661	\$ —

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts receivable	\$ 52,522	\$ 1,495,447	\$ 172,085	\$ 1,667,532
Due from Federal government	—	13,035	—	13,035
Due from other governmental units	24,468	25,118	—	25,118
Interest & dividends receivable	321	140,727	—	140,727
Loans & notes receivable	3,173	296,615	—	296,615
Fees receivable	134	7,631	—	7,631
Taxes receivable	—	167,186	—	167,186
Allowance for uncollectibles	(49,826)	(940,685)	—	(940,685)
Receivables, net	\$ 30,792	\$ 1,205,074	\$ 172,085	\$ 1,377,159
Loans & notes receivable	\$ 2,083	\$ 1,871,255	\$ —	\$ 1,871,255
Allowance for uncollectibles	(1,946)	(1,946)	—	(1,946)
Other loans & notes receivable, net	\$ 137	\$ 1,869,309	\$ —	\$ 1,869,309

COMPONENT UNITS

Accounts receivable	\$ 2,125,629
Contracts & grants receivable	329,618
Due from Federal government	9,276
Due from other governmental units	353,867
Interest & dividends receivable	73,688
Loans & notes receivable	271,172
Allowance for uncollectibles	(501,629)
Receivables, net	\$ 2,661,621
Other loans & notes receivable	\$ 2,635,590
Allowance for uncollectibles	(224,645)
Other loans & notes receivable, net	\$ 2,410,945

“Accounts payable and accrued liabilities,” as presented on the Government-wide Statement of Net Position and the applicable balance sheets and statements of net position in the fund financial statements, consist of the following (in thousands):

GOVERNMENTAL ACTIVITIES

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Accounts payable	\$ 660,024	\$ 58,728	\$ 3,691	\$ 431,329	\$ 387,029
Accrued salaries & wages	75,733	7,156	22	26,830	9,318
Accrued interest payable	473	26	—	186	499
Claims payable	—	—	—	—	—
Construction contracts	567	—	—	—	329,204
Deposits payable	209	673	29	10	10,399
Due to Federal government	—	—	—	187,262	—
Due to other governmental units	60,159	8,771	—	8,144	8,494
Other payables	—	—	—	—	—
Accounts payable and accrued liabilities	\$ 797,165	\$ 75,354	\$ 3,742	\$ 653,761	\$ 744,943

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 527,036	\$ 2,067,837	\$ 18,480	\$ 339,794	\$ 2,426,111
Accrued salaries & wages	4,115	123,174	1,000	—	124,174
Accrued interest payable	300	1,484	36	—	1,520
Claims payable	—	—	252,644	—	252,644
Construction contracts	94	329,865	—	—	329,865
Deposits payable	974	12,294	—	—	12,294
Due to Federal government	17,942	205,204	—	—	205,204
Due to other governmental units	56,788	142,356	—	—	142,356
Other payables	—	—	5,209	—	5,209
Accounts payable and accrued liabilities	\$ 607,249	\$ 2,882,214	\$ 277,369	\$ 339,794	\$ 3,499,377

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts payable	\$ 2,111	\$ 9,512	\$ 271	\$ 1,030,372	\$ 34,947
Accrued interest payable	—	—	29,850	—	—
Accrued salaries & wages	—	50	—	—	—
Construction contracts	63,050	—	—	—	—
Deposits payable	365	1,412	—	—	—
Accounts payable and accrued liabilities	\$ 65,526	\$ 10,974	\$ 30,121	\$ 1,030,372	\$ 34,947

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts payable	\$ 32,978	\$ 1,110,191	\$ 56,848	\$ 1,167,039
Accrued interest payable	19	29,869	—	29,869
Accrued salaries & wages	2,391	2,441	—	2,441
Construction contracts	—	63,050	—	63,050
Deposits payable	132	1,909	—	1,909
Accounts payable and accrued liabilities	\$ 35,520	\$ 1,207,460	\$ 56,848	\$ 1,264,308

COMPONENT UNITS

Accounts payable	\$ 989,755
Accrued interest payable	29,238
Accrued salaries & wages	489,423
Claims payable	1,177,992
Construction contracts	75,949
Deposits payable	227,487
Due to other governmental units	7,269
Vouchers payable	23,022
Accounts payable and accrued liabilities	\$ 3,020,135

NOTE 5 – TAXES AND TAX ABATEMENTS

A. Taxes

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, one of the principal sources of financing state operations. A schedule of tax revenues by major tax type for each applicable major governmental fund, and for nonmajor governmental funds in the aggregate, is presented below (in thousands):

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Sales and use tax	\$ 38,315,752	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 38,315,752
Fuel taxes:							
Motor fuel tax	—	—	—	—	3,076,478	—	3,076,478
Pollutant tax	—	283,042	—	—	—	—	283,042
Aviation fuel tax	—	—	—	—	34,967	—	34,967
Solid minerals severance tax	—	24,992	—	—	—	—	24,992
Oil and gas production tax	3,702	—	—	—	—	—	3,702
Total fuel taxes	3,702	308,034	—	—	3,111,445	—	3,423,181
Corporate income tax	3,765,350	—	—	—	—	—	3,765,350
Documentary stamp tax	5,326,594	—	—	—	—	—	5,326,594
Intangible personal property tax	840,184	—	—	—	—	—	840,184
Communications service tax	589,474	—	334,846	—	—	—	924,320
Estate tax	4	—	—	—	—	—	4
Gross receipts utilities tax	—	5,561	870,091	—	—	—	875,652
Beverage and tobacco taxes:							
Alcoholic beverage tax	342,384	—	—	—	—	16,638	359,022
Cigarette tax	1,006,909	—	—	—	—	—	1,006,909
Smokeless tobacco tax	42,004	—	—	—	—	—	42,004
Total beverage and tobacco taxes	1,391,297	—	—	—	—	16,638	1,407,935
Other taxes:							
Insurance premium tax	1,514,528	—	—	—	—	56,884	1,571,412
Hospital public assistance tax	—	—	—	803,063	—	—	803,063
Citrus excise tax	—	—	—	—	—	6,765	6,765
Card room tax	797	—	—	—	—	—	797
Pari-mutuel wagering tax	9,645	—	—	—	—	255,365	265,010
Total other taxes	1,524,970	—	—	803,063	—	319,014	2,647,047
Total	\$ 51,757,327	\$ 313,595	\$ 1,204,937	\$ 803,063	\$ 3,111,445	\$ 335,652	\$ 57,526,019

	Sales and Use Tax
Governmental fund statements	\$ 38,315,752
Government-wide accruals	98,605
Government-wide statements	\$ 38,414,357

B. Tax Abatements

For financial reporting purposes, a tax abatement is defined as an agreement between the government and an individual or entity through which the government promises to forgo tax revenues and the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or its citizens. As of June 30, 2022, tax abatement programs are as follows:

Program Name	Entertainment Industry Sales Tax Exemption Program	Community Contribution Tax Credit Program
Program Purpose	The purpose of this program is to encourage the use of this state as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production.	Encourage donations and local private support of projects that provide housing opportunities for persons with special needs or home ownership opportunities for low-income or very low income families.
Taxes being abated	Sales and Use Tax	Corporate Income Tax; Insurance Premium Tax; Sales and Use Tax Refund.
Authority under which abatements are entered	s. 288.1258, F.S.	s. 212.08(5)(p); s. 220.183; and s. 624.5105, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must be a production company producing specified types of content in Florida. For the purposes of this section, “qualified production company” means any production company that has submitted a properly completed application to the Department of Revenue and that is subsequently qualified by the Office of Film and Entertainment.	A taxpayer must apply for approval and be issued an approval letter by the State. A community contribution by a person must be in the following form: (a) Cash or other liquid assets; (b) Real property, including 100 percent ownership of a real property holding company; (c) Goods or inventory; or (d) Other physical resources identified by the State.
How taxes are reduced	Tax Exemption	Tax credit against corporate income or insurance premium tax; sales tax refund
How amount of abatement is determined	Point of sale exemption on items used as an integral part of the production process in Florida, including production equipment, set design and construction, props, wardrobe, and real estate rental.	The credit is equal to 50 percent of the value of the donation, with a limit of \$200,000 per year. For the credits under this authorized program maximum amount limitation is totaling \$14,000,000.
Provisions for recapturing abated taxes	Revocation of certificate and any taxes exempted are due with interest and penalty.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$28,910	\$14,000

Tax abatement programs, continued:

Program Name	Florida Scholarship Funding Organizations Program	Hope Scholarship Credit
Program Purpose	Allows taxpayers to make private, voluntary contributions to nonprofit scholarship-funding organizations and receive dollar for dollar tax credit against specific Florida taxes.	The Hope Scholarship Program provides a public-school student who was subjected to an incident of violence or bullying at school the opportunity to apply for a scholarship to attend an eligible private school rather than remain in an unsafe school environment.
Taxes being abated	Sales and Use Tax, Corporate Income Tax, Severance Taxes, Insurance Premium Tax	Sales and Use Tax
Authority under which abatements are entered	s. 1002.395, F.S.	s. 212.1832 and s. 1002.40, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Qualifying business entity shall apply to the department for approval of an allocation of statewide cap to ensure credits do not exceed the cap. The Department will approve applications and issue an approval letter. Taxpayer must make the contribution to the Scholarship Funding Organization by the end of the tax year to earn the credit on the return.	Applicants must purchase or register a motor vehicle qualifying for the Hope Scholarship Program in Florida and may designate \$105 of the state sales tax due at the time of purchase or registration to an eligible nonprofit scholarship-funding organization (SFO) participating in the Program. If the state sales tax due is less than \$105, the designated amount would be the state sales tax due. Motor vehicle dealers, private tag agencies, and county tax collectors receiving contributions must remit the contributions directly to the designated nonprofit scholarship-funding organization and tax a credit on their sales and use tax return for the amount of the contributions.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	Contribution is made to qualifying Scholarship Funding Organization.	Contribution is paid to a qualifying scholarship-funding organization for use in the Hope Scholarship Program.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$323,776	\$75,540

Tax abatement programs, continued:

Program Name	Capital Investment Tax Credit	Contaminated Site Credit
Program Purpose	Attract and grow capital-intensive industries in the state.	To promote voluntarily rehabilitation of brownfield sites or sites contaminated with dry-cleaning solvent.
Taxes being abated	Corporate Income Tax; Premium Tax arising from the project.	Corporate Income Tax
Authority under which abatements are entered	s. 220.191, F.S.	s. 220.1845 and s. 376.30781, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must establish a qualified project certified by the State and meet minimum capital investment, job creation and wage requirements. (1) The business has to be a high-impact sector business; (2) The business has to build or expand a facility within Florida; (3) The business has to incur construction or expansion costs of at least \$25 million; (4) The business has to create and maintain at least 100 new jobs within Florida; and (5) The business has to be approved by the Department of Economic Opportunity.	Participants must meet applicable eligibility criteria and enter either a Voluntary Cleanup Agreement or a Brownfield Site Rehabilitation Agreement.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	An annual credit may be claimed for up to 20 years in an annual amount up to 5 percent of the eligible capital costs generated by a qualifying project. The annual tax credit shall not exceed specified percentages of the annual tax liability.	The credit is 50 percent of rehabilitation costs, up to \$500,000 per site, per year. To encourage completion of site rehabilitation the applicant may claim an additional 25 percent of the total site rehabilitation costs, not to exceed \$500,000, in the final year of cleanup. To encourage the construction of affordable housing an applicant meeting applicable requirements may claim an additional 25 percent of the total site rehabilitation costs, not to exceed \$500,000.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$66,526	\$11,586

Tax abatement programs, continued:

Program Name	Qualified Target Industry Tax Refund Program	Professional Sports Franchises
Program Purpose	To encourage the growth of higher-wage jobs and a diverse economic base by providing state tax refunds to qualified target industry businesses that originate or expand in the state or that relocate to the state.	To attract and retain professional sports franchises by assisting with facility construction and or renovation.
Taxes being abated	Sales and Use Tax, Corporate Income Tax, Intangible Personal Property Tax, Excise Tax, Ad Valorem Tax, Insurance premium tax, Communication services tax.	Sales and Use Tax
Authority under which abatements are entered	s. 288.106, F.S.	s. 220.20 and s. 288.1162, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must be a new or expanding business in Florida, create a minimum number of new full-time jobs within one or more of Florida's designated targeted industries and meet minimum wage requirements.	Applicants must meet minimum statutory requirements to be certified and receive funding. Eight governmental entities have been certified and are currently receiving funding. Complete renovations and/or construction of the sports facility as described in the original application.
How taxes are reduced	Tax Credit or Refund	Tax Refund
How amount of abatement is determined	Demonstrate minimum Florida job creation, maintenance and wages paid.	The Florida Department of Economic Opportunity shall serve as the state agency for screening applicants for state funding under s. 212.20, F.S. and for certifying an applicant as a facility for the new or retained professional sports franchise.
Provisions for recapturing abated taxes	Revocation of certification and interest, penalties, attorneys' fees and expenses. A qualified target industry business that fraudulently claims a refund under this section commits a felony of the third degree and is liable for repayment of the amount of the refund plus a mandatory penalty.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$12,278	\$16,000

Tax abatement programs, continued:

Program Name	Major League Baseball Spring Training Baseball Franchises
Program Purpose	To attract and retain major league baseball franchises and spring training programs.
Taxes being abated	Sales and Use Tax
Authority under which abatements are entered	s. 288.11621, F.S. and s. 288.11631, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must meet minimum statutory requirements to be certified and receive funding. A total of eleven governmental entities have been certified and are currently receiving funding. (Originally, the spring training program was included in s. 288.1162, F.S. A total of ten governmental entities were certified in 2001 and 2006.)
How taxes are reduced	Tax Refund
How amount of abatement is determined	The Florida Department of Economic Opportunity is responsible for certifying eligible applicants and determining allowable refund amounts.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$10,500

The state had additional tax abatement programs, each amounting to less than \$5 million in revenue and estimated to be reduced in fiscal year 2021-22. In total, these programs resulted in \$29.6 million in estimated tax abatements and include the New Markets Development Program, R and D Credit, Redevelopment Products, Enterprise Zone Property Credit, New and Expanding Business, Florida AMT Credit, Florida Renew Prod Credit, Professional Golf Hall of Fame Facility, Rural Job Tax Credit Program, Hazardous Waste Facility Credit, Emergency Excise Tax Credit, Brownfield Redevelopment Bonus Tax Refund, RAO Building Materials Sales Tax Refund, Rural Jobs Credit, Rural Area of Opportunity, Urban High-Crime Area Job Tax Credit Program, and Enterprise Zone Jobs Credit.

NOTE 6 - LEASES**A. Leased Assets**

The state enters into leases for land, buildings, copiers, and equipment. Certain leases can be short-term or renewable at the option of the state, and are accounted for appropriately per GASB Statement No. 87, Leases. As of June 30, 2022, there were no leases with variable payments not included in the measurement of the lease liability, and none of the leases contained residual value guarantees. Leased assets are amortized on a straight-line basis over the life of the lease. Amortization expense charged for the fiscal year ended June 30, 2022 for the state's governmental and business-type activities was \$162.6 million and \$4.4 million, respectively.

Primary government lease assets as of June 30, 2022 are as follows (in thousands):

	Governmental Activities	Business-type Activities	Total Activities
Leased assets	\$ 1,506,171	\$ 55,793	\$ 1,561,964
Accumulated amortization	(163,634)	(12,855)	(176,489)
Leased assets, net	<u>\$ 1,342,537</u>	<u>\$ 42,938</u>	<u>\$ 1,385,475</u>

Amortization for the remaining lease term as of June 30, 2022, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities	Total Activities
2023	\$ 161,911	\$ 3,986	\$ 165,897
2024	150,663	3,547	154,210
2025	136,050	3,133	139,183
2026	121,062	2,960	124,022
2027	105,658	2,885	108,543
2028-2032	384,984	7,825	392,809
2033-2037	165,844	5,368	171,212
2038-2042	48,510	4,823	53,333
2043-2047	48,342	4,241	52,583
2048-2050	19,513	4,170	23,683
Total Amortization	<u>\$ 1,342,537</u>	<u>\$ 42,938</u>	<u>\$ 1,385,475</u>

Component unit leased asset activities for the fiscal year ended June 30, 2022, are as follows (in thousands):

Leased assets	\$ 789,208
Accumulated amortization	150,457
Leased assets, net	<u>\$ 638,751</u>

As of June 30, 2022, component units amortization expense was \$150.4 million.

Amortization for the remaining lease term as of June 30, 2022, is shown below (in thousands):

Fiscal Year Ending June 30	Component Unit
2023	\$ 78,921
2024	78,921
2025	78,921
2026	78,921
2027	78,921
2028-2032	244,146
Total Amortization	<u>\$ 638,751</u>

B. Lease Receivables

The state leases land, buildings and equipment to third parties with various terms and interest rates. As of June 30, 2022, the state's governmental activities receivables for lease payments totaled \$17.2 million.

The following are schedules of future minimum payments to be received by year by the state as of June 30, 2022 (in thousands):

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 153	\$ 4
2024	4,100	166
2025	4,136	130
2026	4,164	93
2027	4,197	56
Total Lease Receivable	<u>\$ 16,750</u>	<u>\$ 449</u>

For the fiscal year ended June 30, 2022, the state's governmental activities recognized \$23.9 thousand in lease revenue.

As of June 30, 2022, the component units' receivables for lease payments totaled \$421 million. Component units recognized \$5 million in lease revenue and \$511 thousand interest income.

The following are schedules of future minimum payments to be received by year by the state as of June 30, 2022 (in thousands):

Year Ending June 30	Principal	Interest
2023	\$ 12,594	\$ 1,450
2024	12,608	1,433
2025	12,624	1,419
2026	12,641	1,402
2027	12,655	1,386
2028-2032	63,517	6,695
2033-2037	63,915	6,297
2038-2042	63,315	5,896
2043-2047	64,719	5,493
2048-2052	65,043	5,169
Total Lease Receivable	<u>\$ 383,631</u>	<u>\$ 36,640</u>

C. Deferred Inflows

The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the governmental activities deferred inflow of resources was \$17.2 million.

Deferred inflows of resources for the remaining lease term as of June 30, 2022, is shown below (in thousands):

Fiscal Year Ending June 30	Governmental Activities
2023	\$ 3,458
2024	3,441
2025	3,440
2026	3,432
2027	3,428
Total Deferred inflows	<u>\$ 17,199</u>

As of June 30, 2022, the balance of the component unit deferred inflow of resources was \$468.1 million.

Deferred inflows of resources for the remaining lease term as of June 30, 2022, is shown below (in thousands):

Fiscal Year Ending June 30	Component Units
2023	\$ 46,812
2024	46,812
2025	46,812
2026	46,812
2027	46,812
2028-2032	234,064
Total Deferred inflows	<u>\$ 468,124</u>

D. Lease Payables

The state routinely leases land, buildings and equipment in lieu of purchasing assets. As of June 30, 2022, the state's governmental activities for lease liabilities totaled approximately \$1.3 billion and its business-type activities lease liabilities totaled \$44.4 million.

The following is a schedule by fiscal year of principal and interest payments due for lease payments as of June 30, 2022 (in thousands):

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities		Total Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 102,526	\$ 8,352	\$ 7,492	\$ 661	\$ 110,018	\$ 9,013
2024	110,956	8,098	4,514	341	115,470	8,439
2025	105,289	6,258	4,109	297	109,398	6,555
2026	87,165	4,671	4,024	255	91,189	4,926
2027	68,123	3,458	3,972	214	72,095	3,672
2028-2032	361,560	8,849	15,203	515	376,763	9,364
2033-2037	410,763	1,106	1,803	109	412,566	1,215
2038-2042	364	18	895	16	1,259	34
2043-2047	145	9	—	—	145	9
2048-2050	81	1	—	—	81	1
Total lease liabilities	<u>\$ 1,246,972</u>	<u>\$ 40,820</u>	<u>\$ 42,012</u>	<u>\$ 2,408</u>	<u>\$ 1,288,984</u>	<u>\$ 43,228</u>

As of June 30, 2022, the component unit activities for lease liabilities totaled approximately \$610 million.

Component unit leased payables for the fiscal year ended June 30, 2022, are as follows (in thousands):

Fiscal Year Ending June 30	Principal	Interest
2023	\$ 65,825	\$ 178
2024	18,710	49
2025	18,712	47
2026	18,714	45
2027	18,716	43
2028-2032	93,604	193
2033-2037	93,648	148
2038-2042	93,691	105
2043-2047	93,735	61
2048-2050	93,769	27
Total lease liabilities	<u>\$ 609,124</u>	<u>\$ 896</u>

E. Deferred Outflows

The total deferred outflow of resources associated with these leases will be recognized as expense over the lease term. As of June 30, 2022, the balance of the component unit deferred outflow of resources was \$2.4 million.

Deferred outflows of resources for the remaining lease term as of June 30, 2022, is shown below (in thousands):

Fiscal Year Ending June 30	Component Units
2023	\$ 236
2024	236
2025	236
2026	236
2027	236
2028-2032	1,175
Total Deferred outflows	<u>\$ 2,355</u>

NOTE 7 - CAPITAL ASSETS

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

For financial statement purposes, the state reports capital assets under the following categories and has established a reporting capitalization threshold for each category. Applicable capital assets are depreciated over the appropriate estimated useful lives using the straight-line method.

Capital Asset Category	Financial Statement Capitalizing Threshold	Estimated Useful Life (in Years)
Land and other nondepreciable assets	Capitalize all	Not depreciable
Nondepreciable infrastructure	Capitalize all	Not depreciable
Construction work in progress	\$100,000 when work is completed	Not depreciable
Buildings, equipment, and other depreciable assets		
Buildings and building improvements	\$100,000	5 - 50
Infrastructure and infrastructure improvements (depreciable)	\$100,000	3 - 50
Leasehold improvements	\$100,000	2 - 15
Intangible assets	\$4,000,000	2 - 30
Furniture and equipment	\$5,000 and \$250 for non-circulated books	2 - 25
Works of art and historical treasures	Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection	5 - 50
Library resources	\$25	5 - 50
Other capital assets	\$5,000	3 - 20

The state has elected to use the modified approach for accounting for its roadways, bridges and other infrastructure assets included in the State Highway System. Under this approach, the Department of Transportation has made the commitment to maintain these assets at levels established by the Department of Transportation and approved by the Florida Legislature. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The Department of Transportation maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the Department of Transportation makes annual estimates of the amounts that must be expended to maintain these assets at the predetermined condition levels. Refer to the Other Required Supplementary Information for additional information on infrastructure using the modified approach.

Not included in the reported capital assets are the irreplaceable collections at various historic sites and museums throughout the state. For example, the Museum of Florida History, located in Tallahassee, currently has artifacts illustrating the history of Florida since the arrival of human beings on the peninsula. It also has access to collections that include Florida upland and underwater archaeology, Florida archives, and Florida and Spanish colonial numismatics.

Depreciation expense charged to functions of governmental activities for the year ended June 30, 2022, is as follows (in thousands):

General Government	\$ 82,981
Education	9,311
Human Services	23,896
Criminal Justice & Corrections	80,298
Natural Resources & Environment	59,836
Transportation	35,267
Judicial Branch	4,273
Total depreciation expense (governmental activities)	\$ 295,862

Primary government capital asset activities for the fiscal year ended June 30, 2022, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES				
	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 20,880,676	\$ 1,188,199	\$ 9,299	\$ 22,059,576
Infrastructure and infrastructure improvements - nondepreciable	54,233,452	4,143,336	—	58,376,788
Construction work in progress	5,184,651	3,044,562	5,875,205	2,354,008
Total capital assets, not being depreciated	80,298,779	8,376,097	5,884,504	82,790,372
Capital assets, being depreciated:				
Buildings and building improvements	5,718,733	106,661	64,860	5,760,534
Infrastructure and infrastructure improvements	893,376	26,047	23,407	896,016
Leasehold improvements	8,814	1	57	8,758
Furniture and equipment	1,886,138	157,338	136,079	1,907,397
Works of art and historical treasures	1,883	50	29	1,904
Library resources	25,351	8	5	25,354
Other	109,219	7,632	4,991	111,860
Total capital assets, being depreciated	8,643,514	297,737	229,428	8,711,823
Less accumulated depreciation for:				
Buildings and building improvements	3,376,774	135,363	4,888	3,507,249
Infrastructure and infrastructure improvements	587,747	31,084	5,540	613,291
Leasehold improvements	4,707	534	—	5,241
Furniture and equipment	1,438,948	124,883	118,378	1,445,453
Works of art and historical treasures	1,328	132	75	1,385
Library resources	18,596	598	4	19,190
Other	71,127	3,268	110	74,285
Total accumulated depreciation	5,499,227	295,862	128,995	5,666,094
Total capital assets, being depreciated, net	3,144,287	1,875	100,433	3,045,729
Governmental activities capital assets, net	\$ 83,443,066	\$ 8,377,972	\$ 5,984,937	\$ 85,836,101

BUSINESS-TYPE ACTIVITIES				
	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 1,269,885	\$ 150,434	\$ 4,144	\$ 1,416,175
Infrastructure and infrastructure improvements - nondepreciable	11,585,803	1,539,363	248	13,124,918
Construction work in progress	1,862,652	535,604	997,231	1,401,025
Total capital assets, not being depreciated	14,718,340	2,225,401	1,001,623	15,942,118
Capital assets, being depreciated:				
Buildings and building improvements	714,932	138,546	94,481	758,997
Infrastructure and infrastructure improvements	647,886	998	662	648,222
Leasehold improvements	59	59	59	59
Furniture and equipment	413,645	27,538	24,729	416,454
Library resources	20	5	—	25
Other	172,460	—	13	172,447
Total capital assets, being depreciated	1,949,002	167,146	119,944	1,996,204
Less accumulated depreciation for:				
Buildings and building improvements	228,033	28,234	8,759	247,508
Infrastructure and infrastructure improvements	93,042	33,692	26	126,708
Leasehold improvements	25	—	25	—
Furniture and equipment	301,326	31,402	13,611	319,117
Library resources	9	1	—	10
Other	117,580	7,374	13	124,941
Total accumulated depreciation	740,015	100,703	22,434	818,284
Total capital assets, being depreciated, net	1,208,987	66,443	97,510	1,177,920
Business-type activities capital assets, net	\$ 15,927,327	\$ 2,291,844	\$ 1,099,133	\$ 17,120,038

Component units' capital asset activities for the fiscal year ended June 30, 2022, are as follows (in thousands):

	COMPONENT UNITS			
	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets, not being depreciated:				
Land and other non-depreciable assets	\$ 7,085,800	\$ 5,838,004	\$ 5,760,995	\$ 7,162,809
Construction work in progress	2,011,367	2,056,113	1,102,095	2,965,385
Total capital assets, not being depreciated	9,097,167	7,894,117	6,863,090	10,128,194
Capital assets, being depreciated:				
Buildings and building improvements	22,714,090	1,217,433	202,602	23,728,921
Infrastructure and infrastructure improvements	4,355,392	2,371,197	2,398,480	4,328,109
Leasehold improvements	863,462	10,859	292,065	582,256
Furniture and equipment	4,686,319	533,922	329,532	4,890,709
Works of art and historical treasures	4,195	60	—	4,255
Library resources	1,082,012	18,894	1,606	1,099,300
Other	501,131	116,620	122,323	495,428
Total capital assets, being depreciated	34,206,601	4,268,985	3,346,608	35,128,978
Less accumulated depreciation for:				
Buildings and building improvements	9,393,061	928,112	171,729	10,149,444
Infrastructure and infrastructure improvements	1,641,755	647,631	519,624	1,769,762
Leasehold improvements	254,927	19,655	59,250	215,332
Furniture and equipment	3,588,022	511,921	298,863	3,801,080
Works of art and historical treasures	2,554	142	—	2,696
Library resources	923,509	31,785	7,084	948,210
Other	399,852	136,294	127,529	408,617
Total accumulated depreciation	16,203,680	2,275,540	1,184,079	17,295,141
Total capital assets, being depreciated, net	18,002,921	1,993,445	2,162,529	17,833,837
Component units capital assets, net	\$ 27,100,088	\$ 9,887,562	\$ 9,025,619	\$ 27,962,031

NOTE 8 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

A. Pensions

The Florida Department of Management Services (Department) is part of the primary government of the State of Florida and is responsible for administering the Florida Retirement System (FRS) Pension Plan and Other State-Administered Systems. For the fiscal year ended June 30, 2022, the Department administered three defined benefit plans, two defined contribution plans, a supplemental funding of defined benefit plans for municipal police officers and firefighters, and various general revenue funded pension programs. Beginning with the fiscal year ended June 30, 2014, the Department issued a publicly-available, audited annual comprehensive financial report (ACFR) that includes financial statements, notes and required supplementary information for each of the pension plans which it administers. Detailed information about the plans is provided in the FRS ACFR which is available online or by contacting the Department.

Copies for this report, as well as the plans' actuarial valuations, can be obtained from the Department of Management Services, Division of Retirement (Division), Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-90000; by telephone toll free at 877-377-1737 or 850-488-5706; by email at REP@dms.fl.gov; or at the Division's website (www.frs.myflorida.com).

1. Defined Benefit Plans

The Florida Retirement System

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans – the FRS defined benefit pension plan (Pension Plan) and the FRS Investment Plan. The FRS Pension Plan was created in Chapter 121, Florida Statutes (F.S.), effective December 1, 1970, by consolidating and closing these existing plans to new members: the Teachers' Retirement System (Chapter 238, F.S.), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.), and the Highway Patrol Pension Trust Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Chapter 123, F.S.) was closed and consolidated into the FRS. The FRS was created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide the Investment Plan as a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. The FRS Investment Plan is an integrated defined contribution plan administered by the State Board of Administration (SBA). Effective July 1, 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program, established under Section 121.40, F.S., was consolidated under the FRS Pension Plan as a closed retirement plan. Participation in the IFAS Supplemental Retirement Program does not constitute membership in the FRS.

Chapter 121, F.S., also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the state, state elected officials who chose SMSC membership in lieu of Elected Officers' Class membership (EOC), and faculty and other specified positions in the State University System and Florida College System institutions. Provisions relating to the FRS are also contained in Chapter 112, F.S.

Membership

FRS membership is compulsory for eligible employees filling a regularly established position in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, F.S., or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program (SUSORP). Retirees initially reemployed in regularly established positions on or after July 1, 2010, may not participate in the FRS except for defined contribution plan retirees employed in a regularly established position on or after July 1, 2017. FRS Pension Plan retirees remain ineligible for renewed membership.

Retirees of the FRS Investment Plan, the SUSORP, the State Community College System Option Retirement Program (SCCSORP), and the Senior Management Service Optional Annuity Program who are initially reemployed on or after July 1, 2010, and who are employed in a regularly established position on or after July 1, 2017, will be enrolled in the FRS Investment Plan, SUSORP, or SCCSORP based upon the position held as renewed members on or after July 1, 2017.

There are five general classes of membership, as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class* – Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, assistant capital collateral representatives, criminal conflict and civil regional counsels and their assistant regional counsel chiefs, administrative directors, and chief investigators. Members of the EOC may elect to withdraw from the FRS or participate in the SMSC in lieu of the EOC.
- *Special Risk Class* – Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001, through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner’s office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers’ Class* – Members who are elected state or county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members working on or after July 1, 2001, and initially enrolled before July 1, 2011. Members not actively working in a position covered by the FRS Pension Plan on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers’ Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Benefits

The Florida Legislature establishes and amends the benefit terms of the FRS Pension Plan. Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value per year by membership class. Members are also provided in-line-of-duty or regular disability and survivors’ benefits. Pension benefits of eligible retirees and annuitants are increased each July 1 by a cost-of-living adjustment. If the member is initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. This individually calculated annual cost-of-living

adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

The DROP became effective July 1, 1998, subject to provisions of Section 121.091(13), F.S. FRS Pension Plan members who reach normal retirement are eligible to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period but their authorized extended DROP participation must conclude at the end of a school year.

DROP participants employed in eligible law enforcement officer positions on July 1, 2022, and before June 30, 2028, may participate for up to 36 additional months beyond their initial 60-month eligibility period. Monthly retirement benefits remain in the FRS Trust Fund during DROP participation and accrue interest until the member terminates to finalize retirement. As of June 30, 2022, the FRS Trust Fund held in trust \$2,668,218,157 in accumulated benefits for 31,023 DROP participants. Of these 31,023 DROP participants, 29,153 were active in the DROP with balances totaling \$2,372,404,554. The remaining participants were no longer active in the DROP and had balances totaling \$295,813,603 to be processed after June 30, 2022.

Administration

The Division administers the FRS Pension Plan. The SBA invests the assets of the FRS Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded from earnings on investments of the FRS Trust Fund. Reporting of the FRS Pension Plan is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Contributions

All participating employers must comply with statutory contribution requirements. Section 121.031(3), F.S., requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in Section 121.71, F.S. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. Statutes require that any unfunded actuarial liability (UAL) be amortized within 30 plan years. Pursuant to Section 121.031(3)(f), F.S., any surplus actuarial amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves for the FRS Pension Plan at June 30, 2022, was \$180,226,404,807. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

The table below presents FRS employer contribution rates. Rates indicated are uniform rates for all FRS members and include UAL contribution rates. These rates do not include a 1.66% contribution rate for the Retiree Health Insurance Subsidy (HIS) Program and a 0.06% assessment for the administration of the FRS Investment Plan and the educational program available to all FRS members. In addition, the July 1, 2021, statutory employer rates do not include the 3.00% mandatory employee contribution for all membership classes except for members in the DROP.

Membership Class	Uniform Employer Rates Recommended by Actuarial Valuation as of July 1, 2020 for Fiscal Year 2021-2022	July 1, 2021 Statutory Rates (Ch. 121, F.S.)
Regular	9.10%	9.10%
Senior Management Service	27.29%	27.29%
Special Risk	24.17%	24.17%
Special Risk Administrative Support	36.04%	36.04%
Elected Officers - Judges	39.19%	39.19%
Elected Officers - Legislators/Attorneys/Cabinet	62.01%	62.01%
Elected Officers - County	49.70%	49.70%
DROP - applicable to members from all of the above classes or plans	16.68%	16.68%

Employee eligibility, benefits, and contributions by class are as previously described. Employees not filling regular established positions and working under the other personal services or temporary status are not covered by the FRS.

Retiree Health Insurance Subsidy Program

The HIS Program is a non-qualified cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, F.S. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division. For the fiscal year ended June 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, F.S. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2022, the contribution rate was 1.66% of payroll pursuant to Section 112.363, F.S. The state contributed 100% of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

The Florida National Guard Supplemental Retirement Benefit Plan

The Florida National Guard Supplemental Retirement Benefit Plan (National Guard Benefit) is a single-employer, non-qualified defined benefit pension plan established under Section 250.22, F.S., and is administered by the Division. The Florida Legislature establishes and amends the plan. Florida National Guard retirees must have at least 30 years of Florida National Guard service. Normal retirement is at age 62 with early retirement available beginning at age 60. The monthly benefit is equal to 50% of the federal military pay table for the highest rank held while in the Florida National Guard less the benefit received from the Federal Government for military service. The benefit amount is recalculated whenever the federal military pay table is increased or the federal benefit is increased by a cost of living adjustment. The benefit is payable for the lifetime of the retiree without a survivor benefit option. The table below shows the number of employees covered by the benefit terms as of June 30, 2022.

Active Members	12,222
Retirees	736
Terminated Vested Members	470
Total	<u>13,428</u>

The National Guard Benefit is funded by an annual appropriation from General Revenue by the Legislature. Any appropriated funds not obligated for benefit payments owed at June 30 each year revert to the General Revenue Fund.

Pension Amounts for Defined Benefit Pension Plans***Net Pension Liability***

At June 30, 2022, the State reported a total liability of \$3,507,326,325 for its proportionate share of the net pension liabilities of the defined benefit, multiple-employer cost-sharing pension plans and its single-employer, non-qualified pension plan. The table below presents the fiduciary net position for the FRS and HIS plans as well as the State's proportion and proportionate share as of the measurement date of June 30, 2021, and the fiduciary net position of the National Guard Benefit as of the measurement date of June 30, 2022:

	FRS Pension Plan	HIS	National Guard Benefit	Total
Plan total pension liability (A)	\$ 209,636,046,000	\$ 12,719,121,120	\$ 601,400,987	
Plan fiduciary net position (B)	(202,082,182,546)	(452,617,639)	—	
Plan net pension liability (A-B)	7,553,863,454	12,266,503,481	601,400,987	
State's proportion	16.203571589 %	13.711565539 %	100.00 %	
State's proportionate share	<u>\$ 1,223,995,673</u>	<u>\$ 1,681,929,664</u>	<u>\$ 601,400,987</u>	<u>\$ 3,507,326,324</u>

The State's proportion of the net pension liability for FRS Pension Plan and HIS was based on contributions paid to the plans by the State relative to the contributions paid by all participating employers. The table below shows the change in proportion since the prior measurement date:

	FRS	HIS
State's proportion at prior measurement date, June 30, 2020	16.981903225%	13.868337484%
State's proportion at measurement date, June 30, 2021	<u>16.203571589%</u>	<u>13.711565539%</u>
Increase / (decrease) in proportion	<u>-0.778331636%</u>	<u>-0.156771945%</u>

The table below shows the changes in National Guard Benefit net pension liability for the fiscal year ended June 30, 2022:

National Guard Benefit

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2021	\$ 1,190,776,748	\$ —	\$ 1,190,776,748
Changes for the year:			
Service Cost	25,943,140	—	25,943,140
Interest on total pension liability	26,113,781	—	26,113,781
Effect of economic/demographic gains or losses	(37,487,055)	—	(37,487,055)
Effect of assumptions changes or inputs	(588,365,270)	—	(588,365,270)
Benefit payments	(15,580,357)	(15,580,357)	—
Employer contributions	—	15,588,557	(15,588,557)
Administrative expenses	—	(8,200)	8,200
Balances as of June 30, 2022	\$ 601,400,987	\$ —	\$ 601,400,987

Actuarial Methods and Assumptions

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The Department determines the assumptions in the valuations for GASB Statement No. 67 reporting purposes. The FRS Pension Plan's GASB Statement No. 67 valuation is performed annually. The HIS program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has

been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of the measurement date of July 1, 2021, using the Individual Entry Age Normal actuarial cost method. Inflation increases for the FRS Pension Plan and the HIS is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%.

Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the statutorily required rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return and was applied to all periods of projected benefit payments to determine the total pension liability.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

There were no changes in benefit terms for FRS that affected the total pension liability since the prior measurement date. There were no changes in benefit terms for HIS that affected the total pension liability since the prior measurement date. There were no changes between the measurement date and the reporting date which significantly impact the State's proportionate share of the net pension liability, deferred outflows, deferred inflows and pension expense for either FRS Pension Plan or HIS.

The following changes in actuarial assumptions occurred in 2021:

- FRS Pension Plan: The long-term expected rate of return did not change from 6.80%.
- HIS: The municipal rate used to determine total pension liability decreased from 2.21% to 2.16%.

The long-term expected rate of return on FRS Pension Plan investments was determined using a forward-looking capital market economic model, which includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.0%	2.1%
Fixed income	20.0%	3.8%
Global equity	54.2%	8.2%
Real estate (property)	10.3%	7.1%
Private equity	10.8%	11.7%
Strategic investments	3.7%	5.7%
	<u>100.0%</u>	

The National Guard Benefit has not had a formal actuarial experience study performed. Due to the pay-as-you-go nature of the program, full actuarial valuations will be conducted in even-numbered years. Liabilities for odd-numbered years will be developed based on the results of a full actuarial valuation using standard actuarial roll-forward techniques. The total pension liability was determined by an actuarial valuation as of the valuation date, July 1, 2022, using the Individual Entry Age Normal actuarial cost method. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB measurement date using standard actuarial roll forward procedures. The annual increase for the net Florida National Guard benefit reflects the projected effect on the benefit of a 2.4% inflation increase assumption for the total Florida plus federal benefit and a 2.0% increase assumption for the federal portion of the benefit¹.

¹Varied by service; separate tables for officer and enlisted. See July 1, 2022 valuation.

Because the National Guard Benefit uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. Mortality assumptions for the plan were based on the Generational PUB-2010 with Projection Scale MP-2018 tables.

There were no changes in benefit terms to the National Guard Benefit that affected the total pension liability since the prior measurement date.

The following change in actuarial assumptions occurred in 2022 for the National Guard Benefit:

- The municipal bond rate used to determine total pension liability increased from 2.16% to 3.54%.
- The withdrawal rates for years 20+ were updated based on recent observed experience specific to the Florida National Guard Program.
- Introduction of methodology that reflects a distinction between years of service in the Florida National Guard and years of total military service. Additionally, an assumption was added for years of total military service for those active members for whom we are not given a date entered the military.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the State's proportionate share of the FRS and HIS plan's net pension liability and the National Guard Benefit net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

<i>FRS Pension Plan</i>			<i>HIS</i>		
1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
\$5,473,790,652	\$1,223,995,673	(\$2,328,356,428)	\$1,944,473,610	\$1,681,929,664	\$1,466,833,612

<i>National Guard Benefit</i>		
1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
\$732,053,653	\$601,400,987	\$502,745,269

Pension Expense and Deferred Outflows / (Inflows) of Resources

In accordance with GASB Statement No. 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employee).
- Differences between expected and actual earnings on pension plan investments – amortized over five years.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2021, was 5.7 years for FRS Pension Plan and 6.4 years for HIS.

The State's proportionate share of the components of collective pension expense and deferred outflows and inflows of resources reported in the pension allocation schedules for the measurement date year ended June 30, 2021, are presented below for each plan.

FRS Pension Plan

	Recognized in Expense Reporting Period Ending June 30, 2022	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 429,146,587	Current	\$ —	\$ —
Interest cost	2,222,022,659	Current	—	—
Effect of plan changes	—	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	115,661,258	5.7 years	209,794,812	—
Effect of assumptions changes or inputs	433,843,801	5.7 years	837,518,519	—
Member contributions	(122,584,915)	Current	—	—
Projected investment earnings	(1,739,909,868)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(76,932,615)	5.7 years	213,105,829	(535,271,289)
Net difference between projected and actual investment earnings	(1,342,097,391)	5 years	—	(4,270,213,239)
Contributions subsequent to the measurement date	—	1 year	663,500,241	—
Administrative expenses	3,522,753	Current	—	—
Total	\$ (77,327,731)		\$ 1,923,919,401	\$ (4,805,484,528)

Health Insurance Subsidy

	Recognized in Expense Reporting Period Ending June 30, 2022	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 38,482,730	Current	\$ —	\$ —
Interest cost	38,220,565	Current	—	—
Effect of plan changes	—	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	11,614,621	6.4 years	56,281,612	(704,461)
Effect of assumptions changes or inputs	31,600,645	6.4 years	132,162,024	(69,299,782)
Member contributions	(7,566)	Current	—	—
Projected investment earnings	(1,256,683)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(23,073,771)	6.4 years	63,386,226	(143,054,842)
Net difference between projected and actual investment earnings	695,429	5 years	1,753,367	—
Contributions subsequent to the measurement date	—	1 year	80,000,254	—
Administrative expenses	26,472	Current	—	—
Total	\$ 96,302,442		\$ 333,583,483	\$ (213,059,085)

The average expected remaining service life of all employees provided with pensions through the National Guard defined benefit single-employer plan at June 30, 2022, was 17.6 years. The State's pension expense and deferred outflows and deferred inflows of resources reported for the fiscal year ended June 30, 2021, are presented below for the plan.

National Guard Benefit Plan

	Recognized in Expense Reporting Period Ending June 30, 2022	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 25,943,140	Current	\$ —	\$ —
Interest cost	26,113,781	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	5,710,249	17.6 years	51,526,725	(35,357,109)
Effect of assumptions changes or inputs	11,866,494	17.6 years	373,672,824	(600,650,091)
Administrative expenses	8,200	Current	—	—
<i>Total</i>	<i>\$ 69,641,864</i>		<i>\$ 425,199,549</i>	<i>\$ (636,007,200)</i>

Deferred outflows of resources related to contributions paid subsequent to the measurement date as shown in the tables above will be recognized as a reduction of the net pension liability in the reporting period ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Reporting Period Ending June 30,	FRS Pension Plan Expense	HIS Expense	National Guard Benefit Expense
2023	\$ (648,245,609)	\$ 12,015,450	\$ 17,576,743
2024	(736,065,265)	(7,412,215)	17,576,743
2025	(947,896,580)	8,952,738	17,103,414
2026	(1,189,942,357)	15,276,245	14,424,839
2027	(22,915,555)	10,109,266	4,947,269
Thereafter	—	1,582,660	(282,436,659)
<i>Total</i>	<i>\$ (3,545,065,366)</i>	<i>\$ 40,524,144</i>	<i>\$ (210,807,651)</i>

Payables to the Pension Plans

The State reported payables of 63.2 million to the FRS Pension Plan, and 2.1 million to the HIS Program as of June 30, 2022, for legally required contributions to the plans.

2. Defined Contribution Programs

FRS Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the plan. Retirement benefits are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the years of service required for vesting under the Pension Plan (including the service credit represented by the transferred funds) is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. The FRS Investment Plan member directs the investment from the options offered under the plan. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer assessment of 0.06% of payroll and by forfeited benefits of plan members. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the FRS Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Upon receiving a distribution, other than a de minimis distribution or required minimum distribution, the member is a retiree. Disability coverage is provided for total and permanent disability (non-duty or line of duty); the employer pays an employer contribution to fund the disability benefit which is deposited in the FRS Trust Fund. The member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the FRS Investment Plan and rely upon that account balance for retirement income. Survivor benefit coverage is provided to the surviving spouse or dependent children of members who die in line of duty; the employer pays an employer contribution to fund the survivor benefit which is deposited in the FRS Trust Fund. The member's account balance must be transferred to the FRS Pension Plan when approved for survivor benefits to receive guaranteed lifetime monthly benefits under the FRS Pension Plan for the surviving spouse or on behalf of the dependent children until the youngest unmarried dependent child reaches age 18, or up to age 25 if unmarried and enrolled as a full time student.

State University System Optional Retirement Program

Section 121.35, F.S., created the SUSORP for eligible State University System faculty, administrators, and administrative and professional staff. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the program. This program is designed to aid universities in recruiting employees who may not remain in the FRS long enough to vest. The SUSORP is a defined contribution plan that, upon signing an investment contract, provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed by the participant to provide retirement and death benefits. Employees in eligible positions are compulsory participants in the SUSORP unless they elect FRS membership. Faculty in a college of medicine with a faculty practice plan are mandatory SUSORP participants and cannot elect FRS membership.

The employing universities were statutorily required to contribute 5.15% of the participants' gross monthly compensation from July 2021, through June 2022. In accordance with Section 121.35, F.S., 0.01% of the employer contribution rate was used for the administration of the SUSORP program and 5.14% was distributed to the provider companies designated by the participant. SUSORP members are not eligible to receive HIS Payments from the HIS Trust Fund. There is a HIS component included in the employer's contribution deposited in the members' accounts. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university. In addition to the employer funding to the participants' accounts, the employing universities are required to make a contribution as a percent of covered payroll that is transferred to the FRS Trust Fund to help amortize any UAL. The required UAL contribution rate for fiscal year 2021-22 was 4.19%.

Senior Management Service Optional Annuity Program (SMSOAP)

Section 121.055, F.S., created the SMSOAP as an optional retirement program alternative for state members of the SMSC. Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP in lieu of the SMSC. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the program and closed the program to new members effective July 1, 2017.

The SMSOAP is a defined contribution plan that, upon signing an investment contract, provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies. Participants direct the investment of contributions to provide retirement and death benefits. Employers were required to contribute 6.27% of covered payroll from

July 2021 through June 2022. The employers' contributions were paid to the provider companies designated by the participant. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. A participant may contribute by salary reduction or deduction an amount not to exceed the percentage contributed by the employer. In addition to the employer funding to the participants' accounts, the state agencies are required to make a contribution as a percent of covered payroll that is transferred to the FRS Trust Fund to help amortize the UAL. The required UAL contribution rate for fiscal year 2021-22 was 20.80%.

Pension Amounts for Defined Contribution Plans

As of June 30, 2022, the State reported the following pension amounts related to the defined contribution plans:

Reporting Period Ended June 30, 2021	FRS Investment Plan	Optional Retirement Plan	Optional Annuity Program
<i>Pension Expense</i> ^{1,2} \$	78,293,211 \$	3,416,705 \$	53,700
<i>Forfeitures</i>	5,584,650	—	—
<i>Pension Liability</i>	4,633,907	—	—

¹ Pension expense excludes the required UAL which is recognized in the Defined Benefit Pension Plan as contributions.

² The amount of forfeitures is not reflected in pension expense recognized by the State and is used to offset administrative costs.

B. Other Postemployment Benefits (OPEB)

The Division of State Group Insurance (DSGI) within the Department is responsible for administering the State Employees' Group Health Insurance Program. The program covers retired employees and is considered another postemployment benefits plan.

Plan Description

The DSGI Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan which provides healthcare benefits to retired state and university employees in accordance with Section 110.123, Florida Statutes (F.S.). Pursuant to the provisions of Section 112.0801, F.S., all public employers that offer benefits through a group insurance plan shall allow their retirees and their eligible dependents the option to continue participation in the plan during retirement. As a part of normal retirement, a retiree has 60 days after separation to elect post-retirement health coverage. After 60 days, they are no longer entitled to benefits. A retiree is defined as any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The law also requires the claims experience of the retirees under 65 group to be combined with the claims experience of active employees for premium determination and the premium offered to retired employees to be no more than the premium applicable to active employees. As a result, the state implicitly subsidizes the premium rates paid by retirees due to increasing health care costs with age and the commingling of the claims experience in a single risk pool with a single premium determination for active employees and retirees under age 65.

There are six participating employers including, the primary government of the state and 14 discretely presented component units which are reported as one employer in the valuation, along with five other governmental entities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Benefit provisions as described by Section 110.123, F.S., and contributions, can be amended by the Florida Legislature. The Governor's recommended budget and the General Appropriations Act provide for a premium level necessary for funding the program each year on a pay-as-you-go basis.

Benefits Provided

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All non-OPS employees of the State are eligible to receive postemployment health care benefits. Four types of health plans are offered to eligible participants:

- Standard statewide Preferred Provider Organization (PPO) Plan.
- High Deductible PPO Plan.
- Standard Health Maintenance Organization (HMO) Plan.
- High Deductible HMO Plan.

HMO coverage is available only to those retirees who live or work in the HMO's service area. The four PPO and HMO options are considered managed-care plans and have specific provider networks.

Employees covered by benefit terms

At valuation date of July 1, 2021, there were 194,496 employees covered by the OPEB Plan, as shown in the following table:

Active members	137,884
No coverage active members	21,032
Retired and inactive members	35,580
Total employees	194,496

There are currently zero inactive plan members entitled to but not yet receiving benefits because the OPEB Plan does not provide a vested termination benefit.

Contributions

Retirees participating in the group insurance plans offered by the State of Florida are required to contribute 100% of the premiums. The State of Florida implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same health plan offered to active employees. Retirees under age 65 pay the same premium amounts as applicable to the active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because Medicare is the primary payer. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Note that the projected post-65 employee contributions for the fully-insured HMO plan are assumed to cover the entire cost of the program.

Total OPEB Liability

As of June 30, 2022, the State reported a total OPEB liability of \$10,540,636,644 of which the State (primary government) and its component units reported \$7,302,126,319 and \$3,238,510,325, respectively, for its proportionate share of the total OPEB liability measured as of June 30, 2021. The table below presents the State and its component units proportion change since the prior measurement date:

	<u>State</u>	<u>Component Units</u>
Proportion at prior measurement date, June 30, 2020	69.570134322856 %	30.429865677144 %
Proportion at measurement date, June 2021	69.275951409651 %	30.724048590349 %
Increase / (Decrease) in proportion	<u>(0.294182913205)%</u>	<u>0.294182913205 %</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry age normal
Amortization method	The recognition period for the changes in assumption and proportionate share is 8 years
Actuarial value of assets	N/A
Inflation	2.60%
Salary Increases	Varies by FRS Class
Discount rate	2.18%
Healthcare cost trend rates	7.95% for PPO and 6.02% for HMO for 2021, decreasing to 7.74% and decreasing to 5.91%, respectively, by 2023, then decreasing to 4.04% for PPO and HMO by 2075 and holding going forward.
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees
Medical aging factors	4% per year prior to age 65 3% per year between ages 65 and 75 2% per year between ages 75 and 85 0% per year thereafter
Marital status	80% assumed married, with male spouses 3 years older than female spouses
Health care participation (HMO)	43% participation assumed, with 25% electing spouse coverage. Members who elected no coverage as actives are assumed to elect coverage in the same proportion as active members with coverage
Health care participation (PPO)	43% participation assumed, with 35% electing spouse coverage. Members who elected no coverage as actives are assumed to elect coverage in the same proportion as active members with coverage

The discount rate of 2.18% was based on a 20-year S&P Municipal Bond Index as of the measurement date. The discount rate changed from 2.66% for the opening balance as of June 30, 2020 to 2.18% as of June 30, 2021 actually resulting in an overall increase in total OPEB liability.

Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018.

The same demographic assumptions that were used for the Florida Retirement System July 1, 2018 Actuarial Valuation were used in the June 30, 2019 Actuarial Valuation. The demographic assumptions were based on the 2014 Experience Study prepared by Milliman on September 8, 2014. Updated Assumptions for the FRS July 1, 2018 Actuarial Valuation were approved by the 2018 FRS Actuarial Assumptions Conference. The assumptions are reasonable for valuing the retiree health costs of the Program since the covered populations of both plans are similar. Additionally, the 2016 mortality tables reflect improvements in mortality using the Society of Actuaries most recently published projection scale BB.

The healthcare trends used in this valuation are based on long term healthcare trends generated by the Getzen Model. The Getzen Model is the result of research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. Medical trend rates consistent with the August 2020 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment were used in the June 30, 2020 Actuarial Valuation. The trend rates for the HMO self-insured and fully insured option were blended to create a single trend assumption for retirees electing HMO coverage. The first five trend rates were developed using the claims and administrative cost information from the August 2020 Report on the Financial Outlook of the Plan.

Retirees participating in the group insurance plans offered by the State of Florida are required to contribute 100% of the premiums. Retiree contributions were not as high as expected based on the expected increases from July 1, 2015, to July 1, 2017. As such, the net implicit subsidy gap further widened and costs increased.

Changes in Total OPEB Liability (in thousands)

See chart below for details.

Changes in Total OPEB Liability	State	Component Units	Total
Reporting period ending June 30, 2021	\$ 7,158,798	\$ 3,131,247	\$ 10,290,045
Changes for the year:			
Service cost	359,208	159,310	518,518
Interest	197,646	87,656	285,302
Changes of benefit terms	—	—	—
Differences between expected and actual experience	—	—	—
Changes of assumptions or other inputs	(267,592)	(118,679)	(386,271)
Benefit payments	(116,153)	(50,805)	(166,958)
Changes of proportionate shares to the total OPEB liability and difference between the actual benefit payments and expected benefit payments	(29,780)	29,780	—
Other changes	—	—	—
Net changes	143,329	107,262	250,591
Reporting period ending June 30, 2022	\$ 7,302,127	\$ 3,238,509	\$ 10,540,636

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table demonstrates the sensitivity of the total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact to the state's proportionate share of the total OPEB liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate (expressed in thousands):

	1% Decrease 1.18%	Current Discount Rate 2.18%	1% Increase 3.18%
State	\$ 8,900,751	\$ 7,302,126	\$ 6,064,885
Component Units	4,019,565	3,238,510	2,645,956
Total	\$ 12,920,316	\$ 10,540,636	\$ 8,710,841

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table demonstrates the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The sensitivity analysis shows the impact to the state's proportionate share of the total OPEB liability if the healthcare cost trend rates were 1.00% higher or 1.00% lower than the current healthcare cost trend rate (expressed in thousands):

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
State	\$ 5,869,861	\$ 7,302,126	\$ 9,239,779
Component Units	2,553,787	3,238,510	4,180,542
Total	\$ 8,423,648	\$ 10,540,636	\$ 13,420,321

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the State of Florida recognized OPEB expense of \$99,861,000 and \$44,289,000 for primary governments and the component units respectively. At June 30, 2022, the State of Florida reported deferred outflows of resources and deferred inflows of resources related to OPEB for state primary governments and component units from the following sources (expressed in thousands):

	State		Component Units	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ —	\$ (347,083)	\$ —	\$ (153,933)
Changes of assumptions or other inputs	785,344	(2,418,370)	348,304	(1,072,554)
Changes of proportionate shares and difference between the actual benefit payments and expected benefit payments	2,557	(501,823)	501,823	(2,557)
Transactions subsequent to the measurement date	130,323	—	57,784	—
Total	\$ 918,224	\$ (3,267,276)	\$ 907,911	\$ (1,229,044)

Amounts reported as deferred outflows of resources related to OPEB resulting from transactions subsequent to the measurement date as shown in the table above will be recognized as a reduction of the total OPEB liability in the reporting period ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ending June 30,	State	Components Units	Total
2023	\$ (557,733)	\$ (105,214)	\$ (662,947)
2024	(557,733)	(105,214)	(662,947)
2025	(557,733)	(105,218)	(662,951)
2026	(403,773)	(40,878)	(444,651)
2027	(323,754)	(4,473)	(328,227)
Thereafter	(78,649)	(17,920)	(96,569)
Total	\$ (2,479,375)	\$ (378,917)	\$ (2,858,292)

NOTE 9 - COMMITMENTS

A. Construction Commitments

Road and bridge construction projects, supervised by the Department of Transportation, are included in the Department of Transportation work program, which is updated during each budget cycle. As of June 30, 2022, the Department had available approximately \$15.7 billion in budget authority committed on executed contracts arising from both current and prior year projects. Other major construction commitments of the State of Florida at June 30, 2022, totaled \$1.2 billion. Refer to Note 7 for additional disclosures relating to construction in progress. Construction commitments for component units totaled \$4.5 billion.

B. Florida Ports Financing Commission Revenue Bonds

Section 320.20, Florida Statutes, obligates the state to remit annually \$25 million to a designated trustee for the purpose of repaying the debt on certain Florida Ports Financing Commission revenue bonds. The Florida Ports Financing Commission is not part of the state's reporting entity. These revenue bonds do not create or constitute a legal obligation or debt of the state. Funding for the annual remittance comes from the State of Florida, Department of Transportation's portion of motor vehicle registration fees, which was \$863,098,663 for the fiscal year ended June 30, 2022. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2022:

Series	Amount
2021	\$ 65,150,000
2021 (Intermodal)	75,675,000
Total	\$ 140,825,000

C. Encumbrances

As of June 30, 2022, encumbrances for major and nonmajor governmental funds were (in thousands):

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Encumbrances:	\$ 370,232	\$ 50,669	\$ 663,802	\$ 61,430	\$ 53,996	\$ 1,082,861	\$ 2,282,990

NOTE 10 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

A. Bonds Payable

1. Outstanding Bonds

Bonds payable at June 30, 2022, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	\$ 2,181,355	\$ 1,871,575	2.000-5.000%	2050
DOT Financing Corporation Bonds	319,605	273,895	3.000-5.000%	2035
Federal Highway Reimbursement Bonds	242,110	209,155	5.000-5.000%	2032
SBE Capital Outlay Bonds	143,235	54,650	2.000-5.000%	2030
Lottery Education Bonds	1,055,795	524,720	3.000-5.000%	2032
Public Education Bonds	7,533,330	5,401,630	0.290-6.000%	2048
State University System Bonds	119,845	64,540	3.000-5.000%	2033
University Auxiliary Bonds	992,880	798,647	1.540-5.250%	2051
Inland Protection Bonds	24,820	11,315	5.000-5.000%	2024
Florida Forever Bonds	805,055	370,090	2.000-5.000%	2029
Water Pollution Control Bonds	214,220	162,590	2.000-2.600%	2030
Florida Facilities Pool Bonds	190,835	132,390	3.000-5.000%	2039
Seaport Investment Bonds	138,145	111,465	4.000-5.000%	2043
Everglades Restoration Bonds	197,440	125,435	3.000-5.000%	2035
	14,158,670	10,112,097		
Unamortized premiums (discounts) on bonds payable	—	870,602		
Total Bonds Payable	<u>\$ 14,158,670</u>	<u>\$ 10,982,699</u>		
Business-type Activities:				
Toll Facilities Bonds	\$ 4,085,820	\$ 3,195,785	1.750-5.000%	2052
Florida Hurricane Catastrophe Fund Bonds	3,500,000	3,500,000	1.258-2.154%	2031
	7,585,820	6,695,785		
Unamortized premiums (discounts) on bonds payable	—	227,274		
Total Bonds Payable	<u>\$ 7,585,820</u>	<u>\$ 6,923,059</u>		

2. Types of Bonds

Capital Outlay Bonds are issued to finance capital outlay projects of school districts and community colleges. The bonds mature serially and are secured by a pledge of a portion of the state-assessed motor vehicle license tax and by a pledge of the full faith and credit of the state.

Public Education Capital Outlay Bonds are issued to finance capital outlay projects of local school districts, community colleges, vocational technical schools, and state universities. The bonds, serial and term, are secured by a pledge of the state's gross receipts tax revenues and by a pledge of the full faith and credit of the state.

Road and Bridge Bonds are issued to finance the cost of acquiring real property, or the rights to real property for state roads, or to finance the cost of state bridge construction. The bonds, serial and term, are secured by a pledge of a portion of the state-assessed motor fuel tax revenues, and by a pledge of the full faith and credit of the state.

Lottery Education Bonds are issued to finance the costs of various local school district educational facilities. The bonds mature serially and are secured by a pledge of a portion of the lottery revenues transferred to the Educational Enhancement Trust Fund.

State University System Bonds are issued to construct university student life facilities. The bonds mature serially and are secured by a system pledge of Capital Improvement Fee revenues.

University Auxiliary Bonds are issued to construct university facilities, including primarily parking and student housing. The bonds, serial and term, are secured by university pledges of certain housing system revenues, parking system revenues, student fee assessments and indirect costs grant revenues.

Everglades Restoration Bonds are revenue bonds issued to finance the costs of acquisition and improvement of lands, water areas, and related property interests and resources for the purpose of implementing the Comprehensive Everglades Restoration Plan and to fund the Florida Keys Area of Critical State Concern protection program. The bonds mature serially and are secured by a pledge of documentary stamp tax revenues.

Florida Forever Bonds are issued to finance the cost of acquisition and improvements of lands, water areas, and related property interests and resources in the State of Florida for the purposes of restoration, conservation, recreation, water resource development, or historical preservation. The bonds mature serially and are secured by a pledge of documentary stamp tax collections.

Florida Facilities Pool Bonds are issued to provide funds for the acquisition and construction of facilities to be leased to state agencies. The bonds mature serially and are secured by a pledge of the revenues derived from the leasing and operations of these facilities.

Federal Highway Reimbursement Bonds are issued to finance projects eligible for federal-aid highway funds. The bonds mature serially and are secured by a pledge of all revenues received pursuant to Federal Aid Authorization that are legally available for the reimbursement of costs of Eligible Projects under Title 23 of the U.S. Code.

Seaport Investment Program Bonds are issued primarily to finance improvements at various seaports within the State of Florida. The bonds, serial and term, are secured by a first lien on the annual allocation of certain fees derived from motor vehicle title certificates to the Seaport Investment Program.

Toll Facilities Bonds are issued to provide construction funds for roads and bridges. Toll bonds, serial and term, are secured by a pledge of toll facility revenues.

Inland Protection Bonds are issued by the Inland Protection Financing Corporation (a blended component unit) for the purpose of financing the rehabilitation of petroleum contaminated sites. The bonds mature serially and are secured by a pledge of moneys derived from a wholesale excise tax primarily on petroleum products.

Department of Transportation Financing Corporation Bonds are issued by the Florida Department of Transportation Financing Corporation (a blended component unit) to finance the cost of certain projects within the Department of Transportation's adopted Work Program. The bonds mature serially and are secured by a pledge of moneys deposited in the State Transportation Trust Fund, consisting primarily of revenues derived from fuel taxes, federal aid and motor vehicle fees.

Florida Water Pollution Control Bonds are issued by the Florida Water Pollution Control Financing Corporation (a blended component unit) to fund loans to local governments to finance or refinance the cost of wastewater treatment and storm water management projects. The bonds, serial and term, are secured by a pledge of the loan payments from local governments.

Florida Hurricane Catastrophe Fund Bonds are issued by the State Board of Administration Finance Corporation. Post-event bonds are issued to maximize the Florida Hurricane Catastrophe Fund's (FHCF) ability to make payments to participating insurers for losses resulting from covered events (hurricanes) if the FHCF's cash balance is insufficient. The bonds mature serially and are primarily secured by emergency assessments. Pre-event bonds are also issued to provide the FHCF with a source of liquidity in order to timely reimburse participating insurers for losses relating to future covered events and are secured primarily by reimbursement premiums and investment earnings on any unspent proceeds.

3. Pledged Revenues

The table below contains information regarding revenues pledged to repay debt obligations (dollars in thousands). For each Bond Type, the table discloses Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, Coverage Ratio, Final Maturity, Remaining Debt Service, and Revenue Ratio. The Bond Types with Operating Expenses are considered self-supporting debt and are paid from the associated facilities being financed. If Operating Expenses are not shown, the bond type is considered to be Net Tax Supported debt and serviced by dedicated tax or fee revenues.

Bond Type	Revenue ²	Less Operating Expenses	Net Available for Debt Service	Debt Service			Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio ⁴
				Principal	Interest ³	Total Debt Service				
Florida Turnpike (Toll Facility)	\$ 1,153,380	\$ 251,867	\$ 901,513	\$ 142,410	\$ 120,538	\$ 262,948	3.43	2052	\$ 4,488,737	78.16 %
Florida Forever/Everglades ¹	5,359,021	—	5,359,021	107,015	28,600	135,615	39.52	2035	577,171	100.00 %
Lottery Education ¹	2,333,723	—	2,333,723	129,920	32,209	162,129	14.39	2032	612,782	100.00 %
Alligator Alley (Toll Facility)	37,978	10,971	27,007	2,085	709	2,794	9.67	2027	13,968	71.11 %
Sunshine Skyway (Toll Facility)	29,246	9,023	20,223	3,175	3,697	6,872	2.94	2038	109,950	69.15 %
State Infrastructure Bank ⁵	—	—	—	—	—	—	—	—	—	— %
Florida Hurricane Catastrophe ⁶	1,211,663	25,224	1,186,439	—	59,657	59,657	19.89	2030	3,908,000	97.92 %
State University System Bonds ¹	56,162	—	56,162	11,265	3,123	14,388	3.90	2033	77,161	100.00 %
University Auxiliary Bonds										
Parking System Revenue Bonds										
Florida International University	14,213	6,143	8,070	3,030	2,252	5,282	1.53	2043	70,335	56.78 %
University of South Florida	13,517	7,336	6,181	2,715	214	2,929	2.11	2026	7,349	45.73 %
University of Florida	14,046	6,864	7,182	1,995	1,571	3,566	2.01	2039	45,024	51.13 %
Florida Atlantic University ⁷	—	—	—	—	—	—	—	—	—	— %
University of Central Florida	22,991	4,352	18,639	2,295	584	2,879	6.47	2032	13,295	81.07 %
Florida State University	12,569	1,834	10,735	3,410	907	4,317	2.49	2031	15,685	85.41 %
Housing System Revenue Bonds										
Florida International University ⁸	26,231	16,149	10,082	4,010	2,534	6,544	1.54	2050	190,176	38.44 %
University of Florida ⁹	54,566	36,063	18,503	4,500	2,072	6,572	2.82	2051	383,631	33.91 %
Florida Atlantic University	17,065	7,192	9,873	2,460	1,854	4,314	2.29	2036	47,861	57.86 %
University of Central Florida	29,729	16,731	12,998	4,305	2,643	6,948	1.87	2042	75,452	43.72 %
Florida State University	50,103	20,306	29,797	8,550	6,092	14,642	2.04	2040	166,628	59.47 %
Student Health and Wellness Center Revenue Bonds										
Florida State University ¹	15,319	—	15,319	1,070	675	1,745	8.78	2030	13,938	100.00 %
University of North Florida ^{1,3}	4,392	—	4,392	450	293	743	5.91	2033	10,951	100.00 %
Student Services Center Revenue Bonds										
University of Florida ¹	30,826	—	30,826	1,890	1,345	3,235	9.53	2033	35,558	100.00 %
DOT Financing Corporation ¹	4,548,642	—	4,548,642	16,590	13,077	29,667	153.32	2035	354,722	100.00 %
GARVEE ¹	1,752,980	—	1,752,980	16,910	11,303	28,213	62.13	2032	267,955	100.00 %
Water Pollution Control Bonds ¹	66,134	—	66,134	25,465	4,187	29,652	2.23	2030	177,917	100.00 %
Inland Protection Bonds ¹	236,016	—	236,016	5,255	829	6,084	38.79	2024	12,171	100.00 %
Seaport Investment Program ¹	200,000	—	200,000	3,020	5,563	8,583	23.30	2043	180,231	100.00 %

¹Operating Expenses are not listed for various programs. For these programs, either no operating expenses reduce revenues available for debt service, or, in the case of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.

²Refer to Note 10.A.2. for information on the sources of pledged revenues. University Auxiliary Bond revenues exclude CARES funds received by universities.

³Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

⁴Revenue Ratio is calculated as Net Available for Debt Service divided by Revenue.

⁵The outstanding SIB Bonds were cash defeased on September 21, 2021 and redeemed on October 21, 2021.

⁶Florida Hurricane Catastrophe Bonds debt service is reduced by interest earnings on bond proceeds and bond proceeds used to repay principal.

⁷The outstanding FAU Parking Bonds were cash defeased on May 23, 2022 and redeemed on July 1, 2022.

⁸Interest payment excludes \$2.51 million of interest paid from Series 2020A Bond proceeds.

⁹Interest payment excludes \$7.28 million of interest paid from Series 2021A Bond proceeds.

4. State Debt Limitations

Section 215.98, F.S., establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the Legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the Legislature determines it is necessary to address a critical state emergency. During the fiscal year 2021-22, the ratio remained below 6%.

5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2022, are as follows (in thousands):

Year Ending June 30	Primary Government ¹				
	Governmental Activities				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2023	\$ 1,031,030	\$ 419,623	\$ 2,525	\$ 311	\$ 1,453,489
2024	933,645	371,737	2,591	257	1,308,230
2025	884,020	332,866	2,659	191	1,219,736
2026	748,595	295,409	1,905	144	1,046,053
2027	704,800	259,795	1,938	115	966,648
2028-2032	2,778,950	870,955	5,989	162	3,656,056
2033-2037	1,825,840	371,643	—	—	2,197,483
2038-2042	669,165	140,751	—	—	809,916
2043-2047	398,565	57,317	—	—	455,882
2048-2052	119,880	6,776	—	—	126,656
Bonds payable and interest	10,094,490	3,126,872	17,607	1,180	13,240,149
Unamortized premiums (discounts)	870,602	—	—	—	870,602
Total bonds payable and interest	<u>\$ 10,965,092</u>	<u>\$ 3,126,872</u>	<u>\$ 17,607</u>	<u>\$ 1,180</u>	<u>\$ 14,110,751</u>

Year Ending June 30	Primary Government ¹		
	Business-type Activities		
	Bonds		
	Principal	Interest	Total
2023	\$ 147,650	\$ 188,685	\$ 336,335
2024	153,975	181,302	335,277
2025	161,175	173,603	334,778
2026	1,398,490	157,682	1,556,172
2027	154,535	142,892	297,427
2028-2032	2,936,310	499,384	3,435,694
2033-2037	704,355	243,131	947,486
2038-2042	491,725	132,462	624,187
2043-2047	349,765	61,579	411,344
2048-2052	197,805	13,826	211,631
Bonds payable and interest	6,695,785	1,794,546	8,490,331
Unamortized premiums (discounts)	227,274	—	227,274
Total bonds payable and interest	<u>\$ 6,923,059</u>	<u>\$ 1,794,546</u>	<u>\$ 8,717,605</u>

¹ See Note 10.A.1. for a breakdown of outstanding Primary Government debt by program.

Year Ending June 30	Component Units ¹				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2023	\$ 490,464	\$ 138,408	\$ 41,658	\$ 38,654	\$ 709,184
2024	136,087	131,062	40,968	38,539	346,656
2025	395,730	125,472	41,910	37,297	600,409
2026	104,282	113,743	45,012	35,926	298,963
2027	142,485	103,569	46,298	113,014	405,366
2028-2032	475,406	467,900	328,007	119,214	1,390,527
2033-2037	709,940	368,509	223,732	77,379	1,379,560
2038-2042	645,396	251,399	141,677	43,746	1,082,218
2043-2047	638,769	121,942	98,864	16,931	876,506
2048-2052	333,309	41,113	113,635	909	488,966
2053-2057	40,190	17,449	—	—	57,639
2058-2062	9,546	11,711	—	—	21,257
2063-2067	26,900	3,151	—	—	30,051
Bonds payable and interest	4,148,504	1,895,428	1,121,761	521,609	7,687,302
Unamortized premiums (discounts)	185,254	—	—	—	185,254
Total bonds payable and interest	<u>\$ 4,333,758</u>	<u>\$ 1,895,428</u>	<u>\$ 1,121,761</u>	<u>\$ 521,609</u>	<u>\$ 7,872,556</u>

¹ Includes Citizens Property Insurance Corporation, Florida Housing Financing Corporation, Water Management Districts, Florida College System Institutions, and certain Non-major Component Unit annual debt service requirements. See Note 1.A for more information regarding component units.

State University annual debt service requirements to amortize university capital improvement debt payable to the State at June 30, 2022 as presented discretely in the following table. University capital improvement debt payable to the State represents the component unit liability to the State for University Auxiliary Bonds listed in Note 10.A.1.

Annual debt service requirements for university capital improvement debt payable at June 30, 2022, are as follows (in thousands):

Year Ending June 30	Universities				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2023	\$ 36,063	\$ 19,244	\$ 10,655	\$ 11,924	\$ 77,886
2024	35,243	17,699	10,251	11,451	74,644
2025	35,048	16,142	15,309	11,020	77,519
2026	34,009	14,576	15,985	10,338	74,908
2027	45,501	16,112	16,713	9,620	87,946
2028-2032	148,615	42,310	75,924	37,798	304,647
2033-2037	81,782	18,428	49,850	24,536	174,596
2038-2042	51,308	8,607	46,710	16,496	123,121
2043-2047	19,935	3,280	48,630	10,282	82,127
2048-2052	11,963	673	43,795	3,334	59,765
Total capital improvement debt payable and interest	499,467	157,071	333,822	146,799	1,137,159
Unamortized premiums (discounts)	15,620	—	34,357	—	49,977
Total capital improvement debt payable and interest	<u>\$ 515,087</u>	<u>\$ 157,071</u>	<u>\$ 368,179</u>	<u>\$ 146,799</u>	<u>\$ 1,187,136</u>

6. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2022, the state took advantage of favorable conditions and issued bonds for the purpose of refunding previously issued bonds. The refundings of these bond series were made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bonds. The economic gains obtained by these refundings are the differences between the present value of old debt service and new debt service requirements.

The proceeds of the current refundings were used to immediately call the refunded bonds or were deposited into irrevocable trusts and invested in direct obligation of the Federal government or in Special Purpose Investment Accounts with the State Treasury and used to call refunded bonds within 90 days of the issuance of the refunding bonds. The proceeds of the advance refundings are deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they become due.

Bonds legally defeased through the consummation of refunding transactions are not included in Florida's outstanding debt. Irrevocable escrow accounts held by the State Board of Administration to service the refunded bonds are reported as agency funds. The following refundings occurred during the fiscal year.

Advance Refundings

Governmental Activities

None.

Business-type Activities

None.

Current Refundings

Governmental Activities

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2022 Series A (Forward Delivery) in the amount of \$122,705,000, along with additional funds of \$1,565,863, were used to refund \$151,635,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2012 Series D maturing in the years 2023 through 2033. The refunding resulted in debt savings of \$27,746,418, an economic gain of \$25,953,846, and a deferred net gain on refunding of \$5,459,661.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2022 Series B (Forward Delivery) in the amount of \$159,780,000, along with additional funds of \$1,851,734, were used to refund \$197,785,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2012 Series C maturing in the years 2023 through 2033. The refunding resulted in debt savings of \$31,643,239, an economic gain of \$29,618,972, and a deferred net gain on refunding of \$3,121,910.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2022 Series C in the amount of \$151,945,000, along with additional funds of \$1,766,220, were used to refund \$174,035,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2013 Series B maturing in the years 2023 through 2032. The refunding resulted in debt savings of \$16,934,782, an economic gain of \$16,048,443, and a deferred net gain on refunding of \$3,808,309.

State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Refunding Bonds, of the State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2021 through 2025, 2028, 2031, and 2035. The refunding resulted in debt savings of \$3,553,792 an economic gain of \$3,078,567, and no deferred gain or loss on refunding.

State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series 2021A in the amount of \$42,815,000, along with additional funds of \$647,008, were used to refund \$49,445,000 of the State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series 2012A maturing in the years 2022 through 2032, 2037, and 2041. The refunding resulted in debt savings of \$11,431,951 an economic gain of \$9,772,699, and a deferred loss on refunding of \$427,288.

State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2022A in the amount of \$132,720,000, along with additional funds of \$2,934,681, were used to refund \$163,270,000 of the State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2012B maturing in the years 2023 through 2034. The refunding resulted in debt savings of \$19,033,763, an economic gain of \$17,007,065, and a deferred gain on refunding of \$2,017,838.

State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series 2022A in the amount of \$48,865,000, along with additional funds of \$688,833, were used to refund \$55,490,000 of the State of Florida, State Board of Education Lottery Revenue Bonds, Series 2012A maturing in the years 2023 and 2032. The refunding resulted in debt savings of \$3,138,479, an economic gain of \$2,721,709, and a deferred net gain on refunding of \$804,349.

Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2022A in the amount of \$178,295,000, along with additional funds of \$12,479,873, were used to refund \$214,240,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2012A maturing in the years 2023 through 2033. The refunding resulted in debt savings of \$15,139,966, an economic gain of \$12,281,468, and a deferred loss on refunding of \$1,206,022.

Cash In-substance Defeasance

Governmental Activities

The State of Florida, Department of Environmental Protection Florida Forever Revenue Refunding Bonds, Series 2011B in the amount of \$10,500,000 maturing in the year 2022 were in-substance defeased on July 16, 2021, when a cash deposit of \$10,587,500 was made to the Sinking Fund. These funds were subsequently held and not invested and used to redeem the bonds on August 18, 2021.

The State of Florida, Department of Transportation State Infrastructure Bank Revenue Bonds, Series 2005A in the amount of \$5,520,000 maturing in the years 2022 through 2026 and the State of Florida, Department of Transportation, State Infrastructure Bank Revenue Bonds, Series 2007 in the amount of \$1,485,000 maturing in the years 2022 through 2027 were in-substance defeased on September 21, 2021, when cash deposits in the Sinking Fund were sufficient to call and redeem the bonds. These funds were subsequently held and not invested and used to redeem the Series 2005A and Series 2007 Bonds on October 21, 2021.

The State of Florida, Board of Governors, Florida Atlantic University Parking Facility Revenue Bonds, Series 2013A the amount of \$8,625,000 maturing in the years 2023 through 2032 were in-substance defeased on May 23, 2022, when in cash deposits in the Sinking Fund were sufficient to call and redeem the bonds. These funds were subsequently held and not invested and used to redeem the Series 2013A Bonds on July 1, 2022.

7. Prior-year Defeased Bonds

In prior years, the state has deposited with escrow agents in irrevocable trusts amounts sufficient to meet the debt service requirements of certain bonds. These defeased bonds are not reported as outstanding debt. Irrevocable trusts established with the State Board of Administration are reported in an agency fund. The state did not have debt considered defeased at June 30, 2022.

8. Arbitrage Regulations

The state complies with federal arbitrage regulations.

9. Direct Interest

The state's bonds are issued for the creation or continuing existence of various programs. Interest is reported at June 30, 2022, in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

<u>Governmental Activities</u>	<u>Interest</u>
Education:	
SBE Capital Outlay Bonds	\$ 1,399
Lottery Education Bonds	13,858
Public Education Bonds	146,236
State University System Bonds	2,206
University Auxiliary Bonds	22,385
Total Education	<u>186,084</u>
Natural Resources and Environment:	
Inland Protection Bonds	225
Everglades Restoration Bonds	3,465
Water Pollution Control Bonds	3,824
Florida Forever Bonds	10,563
Total Natural Resources and Environment	<u>18,077</u>
Transportation:	
Road and Bridge Bonds (Right of Way)	52,197
State Infrastructure Bank Bonds	106
Seaport Investment Bonds	4,942
FDOT Financing Corporation Bonds	5,634
DOT Federal Highway Reimbursement Bonds	2,585
Total Transportation	<u>65,464</u>
Total Direct Interest	<u><u>\$ 269,625</u></u>

B. Certificates of Participation**1. Primary Government**

The state has issued certificates of participation in an original amount of \$527,180,000. The certificates of participation were issued by the Florida Correctional Finance Corporation, the South Florida Evaluation Treatment Center Financing Corporation, and the Florida Civil Commitment Center Financing Corporation. The certificates of participation's interest rates range from 2.000% - 5.000% and the last maturity date is November 1, 2040. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2022 (in thousands):

Year Ending June 30	General		Total
	Principal	Interest	
2023	\$ 40,245	\$ 17,642	\$ 57,887
2024	42,315	15,583	57,898
2025	44,430	13,421	57,851
2026	46,665	11,149	57,814
2027	34,710	9,121	43,831
2028-2032	115,965	22,399	138,364
2033-2037	38,695	8,220	46,915
2038-2042	35,445	1,877	37,322
Total	398,470	99,412	497,882
Unamortized premiums (discounts)	48,868	—	48,868
Total certificates of participation payable	<u>\$ 447,338</u>	<u>\$ 99,412</u>	<u>\$ 546,750</u>

2. Component Units

Component units (South Florida Water Management District Leasing Corporation, USF Financing Corporation, The FAU Financing Corporation, and New College of Florida Development Corporation) have issued certificates of participation (original amount of \$666,455,000) primarily to finance academic and student facilities, and construction projects for Everglades restoration. The certificates of participation's interest rates range from 1.8126 to 5.0313% and the last maturity date is July 1, 2048. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2022 (in thousands):

Year Ending June 30	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2023	\$ 24,104	\$ 5,819	\$ 7,488	\$ 4,776	\$ 42,187
2024	15,141	20,916	6,670	4,542	47,269
2025	21,380	19,879	6,871	4,276	52,406
2026	22,465	18,783	7,101	4,001	52,350
2027	23,600	17,632	7,349	3,717	52,298
2028-2032	54,765	30,372	38,515	13,727	137,379
2033-2037	143,965	53,870	44,085	6,055	247,975
2038-2042	143,085	20,639	5,430	124	169,278
2043-2047	7,815	1,534	—	—	9,349
2048-2052	3,585	145	—	—	3,730
Total	459,905	189,589	123,509	41,218	814,221
Unamortized premiums (discounts)	40,501	—	—	—	40,501
Total certificates of participation payable	<u>\$ 500,406</u>	<u>\$ 189,589</u>	<u>\$ 123,509</u>	<u>\$ 41,218</u>	<u>\$ 854,722</u>

NOTE 11 - INSTALLMENT PURCHASES

A. Installment Purchases

The state has a number of installment purchase contracts primarily providing for the acquisition of buildings, furniture, and equipment. At June 30, 2022, 100% of the state's installment purchase contracts for primary governmental activities were for buildings. Installment purchase contracts for component units consisted of 100% of furniture and equipment. The following is a schedule of future minimum installment purchase contract payments for the primary government and component units at June 30, 2022 (in thousands):

Year Ending June 30	Primary Government			
	Governmental Activities		Business-type Activities	
	General	Direct Borrowings and Placements	General	Totals
2023	\$ 4,142	\$ 1,447	\$ 1,142	\$ 6,731
2024	4,053	1,447	1,141	6,641
2025	3,686	1,447	1,141	6,274
2026	2,361	1,447	1,141	4,949
2027	1,641	362	135	2,138
2028-2032	7,090	—	—	7,090
2033-2037	3,863	—	—	3,863
Total	26,836	6,150	4,700	37,686
Less: Interest	(3,833)	(648)	(266)	(4,747)
Present value of future minimum payments	<u>\$ 23,003</u>	<u>\$ 5,502</u>	<u>\$ 4,434</u>	<u>\$ 32,939</u>

Year Ending June 30	Component Units		
	General	Direct Borrowings and Placements	Totals
2023	\$ 1,711	\$ 759	\$ 2,470
2024	1,531	1,069	2,600
2025	1,372	877	2,249
2026	974	694	1,668
2027	894	665	1,559
2028-2032	3,950	3,323	7,273
2033-2037	3,334	3,323	6,657
2038-2042	2,164	2,492	4,656
Total	15,930	13,202	29,132
Less: Interest	(2,733)	(2,284)	(5,017)
Present value of future minimum payments	<u>\$ 13,197</u>	<u>\$ 10,918</u>	<u>\$ 24,115</u>

NOTE 12 - PUBLIC-PRIVATE PARTNERSHIPS

A. Public-Private Partnerships

Pursuant to Section 334.30, Florida Statutes, the Department of Transportation (Department) executed two 35-year, Public-Private Partnership concession agreements in March and October of 2009 for the design, build, finance, operation and maintenance of the Interstate 595 Corridor and the PortMiami Tunnel, respectively. PortMiami payments consist of milestone payments and lump-sum final acceptance payments during construction and performance-based availability payments to be made during the 30-year operations and maintenance period. Interstate 595 payments involve final acceptance payments during construction and performance-based availability payments to be made during the 30-year operations and maintenance period. The Department executed a 40-year concession agreement in September 2014 for the design, build, finance, operation, and maintenance of 21 miles of the Interstate 4 Corridor in Seminole and Orange Counties. I-4 payments consist of a combination of periodic payments, final acceptance payments, and performance-based availability payments to be made during the operations and maintenance period. The payment schedule below includes the amounts for payments for the Interstate 595 Corridor, the PortMiami Tunnel, and the Interstate 4 Corridor. The annual availability payments for Interstate 595 Corridor and the PortMiami Tunnel are performance-based and are subject to change based on a fixed percentage as defined in their respective contracts and on the Consumer Price Index, which could impact the payment schedule. In October 2015, the Department executed a supplemental agreement with the I-595 concessionaire reflecting overall cost reductions for this project as a result of the concessionaire's debt refinancing. The annual availability payments for the Interstate 4 Corridor are performance-based with a portion of the payment that is level and another portion that is indexed based on the Consumer Price Index, which could impact the payment schedule. The lanes were open to traffic on Interstate 595 and PortMiami Tunnel in March and August 2014, respectively. On I-4, the general use lanes were open to traffic in December 2020, and the express lanes were open to traffic in February 2022.

The following is a schedule of future maximum payments for the primary government at June 30, 2022 (in thousands):

Year Ending June 30	Primary Government		Totals
	Governmental Activities	Business-type Activities	
2023	\$ 209,792	\$ 35,698	\$ 245,490
2024	142,058	25,947	168,005
2025	142,323	25,991	168,314
2026	144,495	26,200	170,695
2027	146,664	26,747	173,411
2028-2032	771,034	141,735	912,769
2033-2037	835,233	157,541	992,774
2038-2042	913,567	175,163	1,088,730
2043-2047	503,586	80,464	584,050
2048-2052	236,772	34,787	271,559
2053-2057	118,552	17,418	135,970
Total	4,164,076	747,691	4,911,767
Less: Interest	(1,850,541)	(379,540)	(2,230,081)
Present value of future maximum payments	<u>\$ 2,313,535</u>	<u>\$ 368,151</u>	<u>\$ 2,681,686</u>

NOTE 13 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2022, are as follows (in thousands):

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Governmental Activities						
Bonds payable:						
Road and Bridge Bonds	\$ 2,005,510	\$ 132,720	\$ 266,655	\$ 1,871,575	\$ 102,660	\$ 1,768,915
FL DOT Financing Corporation	290,485	—	16,590	273,895	17,425	256,470
Federal Reimbursements Bonds	226,065	—	16,910	209,155	17,760	191,395
SBE Capital Outlay Bonds	68,340	—	13,690	54,650	12,410	42,240
Lottery Education Bonds	661,265	48,865	185,410	524,720	108,190	416,530
Public Education Bonds	6,073,030	434,430	1,105,830	5,401,630	571,800	4,829,830
State University System Bonds	75,805	—	11,265	64,540	9,435	55,105
University Auxiliary Bonds	841,015	51,690	111,665	781,040	41,660	739,380
Inland Protection Bonds	16,570	—	5,255	11,315	5,520	5,795
Florida Forever Bonds	460,720	—	90,630	370,090	84,115	285,975
Water Pollution Control Bonds	188,055	—	25,465	162,590	25,450	137,140
Florida Facilities Pool Bonds	145,900	—	13,510	132,390	14,260	118,130
State Infrastructure Bank Bonds	7,005	—	7,005	—	—	—
Seaport Investment Bonds	114,485	—	3,020	111,465	3,170	108,295
Everglades Restoration Bonds	141,820	—	16,385	125,435	17,175	108,260
Bonds from direct borrowings and direct placements ¹	20,070	—	2,463	17,607	2,525	15,082
	11,336,140	667,705	1,891,748	10,112,097	1,033,555	9,078,542
Unamortized bond premiums (discounts)	943,951	143,672	217,021	870,602	—	870,602
Total bonds payable	12,280,091	811,377	2,108,769	10,982,699	1,033,555	9,949,144
Certificates of participation payable	335,318	134,145	22,125	447,338	40,245	407,093
Deposits	1,028,349	4,687,154	5,410,460	305,043	304,976	67
Compensated absences	821,033	241,201	277,340	784,894	187,439	597,455
Claims payable	2,450,151	2,355,825	1,144,769	3,661,207	2,485,589	1,175,618
Installment purchases/capital leases	25,995	12,023	15,015	23,003	3,497	19,506
Public-private partnership agreements	2,707,933	100,447	494,845	2,313,535	100,995	2,212,540
Advances - Due to Unclaimed Prop. TF	1,111,439	44,438	—	1,155,877	—	1,155,877
Due to other governments	340,000	16,984	17,000	339,984	5	339,979
Other postemployment benefits	6,957,675	145,265	16,978	7,085,962	123,977	6,961,985
Pension liability	10,064,174	35,414	6,666,138	3,433,450	26,702	3,406,748
Other liabilities	19,485	2,772	—	22,257	—	22,257
Notes from Direct Borrowings and Direct Placements - Excludes Bonds ²	18,865	—	13,363	5,502	1,187	4,315
Total Governmental Activities	\$ 38,160,508	\$ 8,587,045	\$ 16,186,802	\$ 30,560,751	\$ 4,308,167	\$ 26,252,584

¹Direct borrowings and direct placements have been separately identified due to the implementation of GASB Statement No. 88. Direct borrowings and direct placements for Governmental Activities include bond issuances from University Auxiliary Bonds.

²Direct borrowings and direct placements includes installment purchase contracts.

Long-term liabilities for governmental activities are generally liquidated by the applicable governmental funds and/or internal service funds. Specifically, the special revenue funds, capital projects funds, and/or internal service funds will liquidate the certificates of participation payable, and installment purchase contracts. The applicable special revenue funds and internal service funds will reduce deposits when such monies are earned. The governmental and internal services funds that account for employees' salaries and wages will liquidate the compensated absences liabilities. The General Fund, Health and Family Services Fund, and the non-major special revenue fund will generally liquidate claims payable. The Public Education Fund will

liquidate the advances due to the Unclaimed Property Trust Fund to the extent that the Unclaimed Property Trust Fund does not have sufficient assets to pay claimants requesting payment of unclaimed funds. The nonmajor special revenue funds will generally liquidate other liabilities. The Transportation-Governmental Fund will liquidate the public-private partnership agreements and due to other governments liabilities from annual appropriations. Refer to Note 12 for additional information on the public-private partnership agreements. The pension liability and the Other postemployment benefits (OPEB) related to all governmental funds are reported above. The pension liability is adjusted each year based upon investment performance and contributions received. The state does not currently fund the OPEB liability so it is non-liquidating. Refer to Note 8 for additional information on the pension liability and OPEB.

The Department of Management Services' outstanding \$132.4 million Florida Facilities Pool Bonds provide for acceleration in an event of a payment default, subject to request of the Trustee or the holders of not less than 25% of the outstanding bonds.

The Department of Management Services' outstanding \$361.9 million certificates of participation provide for acceleration and the surrender of the financed public and private correctional facilities (the projects) in the event of a default. Upon an event of default or an event of non-appropriation, the Corporation may terminate the lease, take possession of the projects, and accelerate the rent payments due for the current fiscal year. If the Corporation elects not to terminate the lease upon an event of default, it may exclude the Department, sell or lease certain equipment, and hold the Department liable for monetary damages. Additionally, following an event of non-appropriation, the lease automatically terminates, and the Department must immediately surrender all projects to the Trustee, who may then liquidate, rent, or lease the projects. The Trustee may also exercise all remedies available to the Corporation or cause the Corporation to pursue such remedies.

The Department of Children and Families' outstanding \$36.6 million certificates of participation provide for acceleration and the surrender of the financed forensic mental health and civil commitment facilities (the projects) in the event of a default. Upon an event of default or event of non-appropriation, the principal of all outstanding certificates may be accelerated at the request of the Trustee or the owners of a majority of the outstanding certificates. Upon an event of default or an event of nonappropriation, the Corporation may terminate the lease and require the Department to vacate, surrender, and transfer possession of the projects to the Corporation. Additionally, upon an event of default, without terminating the lease, it may take possession of the project, exclude the Department, and sublet the project. In each case the Department is liable for monetary damages. The Trustee may exercise all remedies available to the Corporation, and may take possession of the projects, or any portions thereof, and dispose of the Corporation's interest therein for the benefit of the owners of the outstanding certificates.

The State of Florida's governmental and business-type activities also have an unused line of credit in the amount of \$54,430,723 as of June 30, 2022.

Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2022, are as follows (in thousands):

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Business-type Activities						
Bonds payable:						
Toll Facility Bonds	\$ 2,722,710	\$ 834,985	\$ 361,910	\$ 3,195,785	\$ 147,650	\$ 3,048,135
Florida Hurricane Catastrophe Fund						
Bonds	4,150,000	—	650,000	3,500,000	—	3,500,000
	6,872,710	834,985	1,011,910	6,695,785	147,650	6,548,135
Unamortized bond premiums						
(discounts)	174,335	88,981	36,042	227,274	—	227,274
Total bonds payable	7,047,045	923,966	1,047,952	6,923,059	147,650	6,775,409
Accrued prize liability	553,532	1,191,356	1,253,214	491,674	270,950	220,724
Deposits	294,770	150,705	86,229	359,246	151,514	207,732
Compensated absences	29,077	12,190	14,202	27,065	6,422	20,643
Tuition and housing benefits payable	11,302,043	—	1,501,069	9,800,974	523,375	9,277,599
Installment purchases/capital leases	7,582	21	3,168	4,435	1,027	3,408
Claims payable	2,566,223	—	1,053,362	1,512,861	1,512,861	—
Public-private partnership agreements ¹	212,132	200,861	44,842	368,151	14,359	353,792
Other postemployment benefits	184,874	14,088	1,574	197,388	3,453	193,935
Pension liability	179,689	14,636	120,797	73,528	257	73,271
Other liabilities	10,499	—	137	10,362	—	10,362
Total Business-type Activities	\$ 22,387,466	\$ 2,507,823	\$ 5,126,546	\$ 19,768,743	\$ 2,631,868	\$ 17,136,875

¹Public-private partnerships are included in the Installment purchases/capital leases line of the Proprietary Funds Statement of Net Position.

As of June 30, 2022, Florida Hurricane Catastrophe Fund assets having a value of \$3.4 billion were pledged as collateral for the Series 2020A Bonds. The market value of the pledged assets is less than par due to market volatility; however, this does not create an event of default. This debt contains a provision that, in an event of default, the Trustee may, and upon written request of the holders of a majority of the aggregate principal amount of all outstanding parity obligations shall, declare the principal of all outstanding parity obligations to be due and payable immediately.

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Component Units						
Bonds payable	\$ 4,043,711	\$ 2,787,848	\$ 2,497,801	\$ 4,333,758	\$ 490,464	\$ 3,843,294
Bonds from direct borrowings and direct placements ¹	1,575,279	17,094	470,612	1,121,761	41,658	1,080,103
Deposits	1,817,106	1,513,271	1,305,859	2,024,518	1,727,066	297,452
Compensated absences	818,038	131,232	132,546	816,724	101,786	714,938
Installment purchases	5,829	8,304	936	13,197	1,361	11,836
Leases ²	117,315	492,705	—	610,020	66,003	544,017
Claims payable	1,438,806	213,334	23,166	1,628,974	52,160	1,576,814
Certificates of participation payable	525,427	368,738	393,759	500,406	24,104	476,302
Due to other governments/primary	945,016	61,297	121,047	885,266	46,718	838,548
Other postemployment benefits	3,328,828	2,277,566	2,202,168	3,404,226	59,661	3,344,565
Pension liability	4,843,378	1,332,698	4,381,318	1,794,758	13,690	1,781,068
Asset retirement obligations	9,449	83,344	82,590	10,203	—	10,203
Other liabilities	734,587	1,318,912	1,365,864	687,635	228,054	459,581
Notes from direct borrowings and direct placements - Excludes Bonds ¹	427,767	186,131	218,909	394,989	28,208	366,781
Total Component Units	\$ 20,630,536	\$ 10,792,474	\$ 13,196,575	\$ 18,226,435	\$ 2,880,933	\$ 15,345,502

¹Direct borrowings and direct placements have been separately identified due to the implementation of GASB Statement No. 88.

²Leases are recorded separately in the Government-wide Statement of Net Position.

The University of Florida Shands Teaching Hospital and Clinic's outstanding \$131.8 million direct placement bonds provide that the principal of all outstanding direct placement bonds may be accelerated upon an event of default.

The University of South Florida Finance Corporation's \$229.6 million certificates of participation, including \$97.9 million of direct placements, provide that the outstanding principal may be accelerated upon an event of default.

The University of Central Florida Foundation, Inc.'s outstanding \$64.3 million long-term debt from direct placements are secured with collateral of capital assets used in operations and provide that in the event of default, all outstanding amounts may be accelerated.

The State's colleges and universities also have unused lines of credit of \$23.4 million as of June 30, 2022.

NOTE 14 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2022, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances to or advances from other funds. Interfund balances at June 30, 2022, consist of the following (in thousands):

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)				
	Governmental Activities				
	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	\$ —	\$ 94,774	\$ 397	\$ 111,059	\$ 12,425
Natural Resources, Environment, and Growth Management	9,422	—	—	1,128	14,667
Public Education	155	—	—	2,849	—
Health and Family Services	12,588	4	—	—	—
Transportation	9,088	2,282	—	345	—
Nonmajor Governmental Funds	88,591	3,608	19,355	9,465	140,179
Internal Service Funds	678	—	—	31	—
Business-type Activities					
Transportation	166	—	—	—	151,660
Lottery	47	—	48,504	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	1	—	—	—	—
Nonmajor Enterprise Funds	7,567	—	—	294	—
Fiduciary Funds					
Private-purpose Trust Funds	326	—	—	—	—
Pension and Other Employee Benefits Trust Funds	—	—	—	—	—
Custodial Funds	105,302	—	3,377	1,933	7,437
Investment Trust Funds	—	—	—	—	—
Total	\$ 233,931	\$ 100,668	\$ 71,633	\$ 127,104	\$ 326,368

(Continued Below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	\$ 122,154	\$ 10,372
Natural Resources, Environment, and Growth Management	121	490
Public Education	520	627
Health and Family Services	23,528	5,728
Transportation	26,512	1,782
Nonmajor Governmental Funds	11,156	2,053
Internal Service Funds	12	592
Business-type Activities		
Transportation	—	—
Lottery	12	49
Hurricane Catastrophe Fund	—	—
Prepaid College Program	—	—
Reemployment Assistance	1,436	—
Nonmajor Enterprise Funds	1,700	713
Fiduciary Funds		
Private-purpose Trust Funds	6	1
Pension and Other Employee Benefits Trust Funds	—	2
Custodial Funds	2,120	—
Investment Trust Funds	—	—
Total	\$ 189,277	\$ 22,409

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Business-type Activities			
	Transportation	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	\$ —	\$ —	\$ 493	\$ 1,526
Natural Resources, Environment, and Growth Management	—	—	3	16
Public Education	—	—	2	—
Health and Family Services	—	—	302	48
Transportation	107,125	—	14	—
Nonmajor Governmental Funds	—	—	123	17
Internal Service Funds	—	—	—	—
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	6	20
Hurricane Catastrophe Fund	—	—	—	423
Prepaid College Program	—	—	—	—
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	12	—
Fiduciary Funds				
Private-purpose Trust Funds	—	42	—	3
Pension and Other Employee Benefits Trust Funds	—	—	—	12,059
Custodial Funds	159,806	—	39	—
Investment Trust Funds	—	—	—	136
Total	\$ 266,931	\$ 42	\$ 994	\$ 14,248

(Continued below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Custodial Funds	Total
Governmental Activities				
General Fund	\$ 443	\$ 62	\$ 239,172	\$ 592,877
Natural Resources, Environment, and Growth Management	—	—	—	25,847
Public Education	—	—	—	4,153
Health and Family Services	—	—	107	42,305
Transportation	—	9	10,499	157,656
Nonmajor Governmental Funds	—	—	183	274,730
Internal Service Funds	—	28,882	38,162	68,357
Business-type Activities				
Transportation	—	—	753	152,579
Lottery	—	—	—	48,638
Hurricane Catastrophe Fund	—	—	—	423
Prepaid College Program	55,942	—	—	55,942
Reemployment Assistance	—	—	69	1,506
Nonmajor Enterprise Funds	—	84	—	10,370
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	378
Pension and Other Employee Benefits Trust Funds	—	96,153	—	108,214
Custodial Funds	—	—	—	280,014
Investment Trust Funds	—	—	—	136
Total	\$ 56,385	\$ 125,190	\$ 288,945	\$ 1,824,125

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)	
	Governmental Activities	
	General Fund	Transportation
Governmental Activities		
Public Education	\$ —	\$ —
Nonmajor Governmental Funds	925	58
Internal Service Funds	500	—
Business-type Activities		
Transportation	—	132,604
Total	\$ 1,425	\$ 132,662

(Continued below)

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)	
	Business-type Activities	
		Transportation
Governmental Activities		
Public Education	\$ —	—
Transportation		50,000
Nonmajor Governmental Funds		—
Internal Service Funds		—
Business-type Activities		
Transportation		—
Total	\$ —	\$ 50,000

(Continued below)

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)	
	Fiduciary Funds	
	Private-purpose Trust Funds	Total
Governmental Activities		
Public Education	\$ 1,155,877	\$ 1,155,877
Transportation	—	50,000
Nonmajor Governmental Funds	—	983
Internal Service Funds	—	500
Business-type Activities		
Transportation	—	132,604
Total	\$ 1,155,877	\$ 1,339,964

During the course of operations, there are numerous transactions between funds within the state. Interfund transfers during the fiscal year are as follows (in thousands):

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)				
	Governmental Activities				
	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	\$ —	\$ 2,144,961	\$ 369	\$ 1,484,678	\$ 2,101,753
Natural Resources, Environment, and Growth Management	103,045	—	—	4,015	—
Public Education	1,061	—	—	12,823	—
Health and Family Services	118,862	2,591	208,768	—	—
Transportation	109,219	22,260	—	561	—
Nonmajor Governmental Funds	331,837	108,286	372,628	25,647	1,784,833
Internal Service Funds	8,146	1,804	—	125	594
Business-type Activities					
Transportation	—	—	—	—	73,700
Lottery	—	—	2,333,504	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	—	—	—	—	—
Nonmajor Enterprise Funds	100,809	—	—	6,652	—
Fiduciary Funds					
Private-purpose Trust Funds	14	—	13	94	—
Pension and Other Employee Benefits Trust Funds	2,980	—	—	—	—
Custodial Funds	—	—	582	—	—
Total	\$ 775,973	\$ 2,279,902	\$ 2,915,864	\$ 1,534,595	\$ 3,960,880

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	\$ 2,508,148	\$ 3
Natural Resources, Environment, and Growth Management	147,534	—
Public Education	1,102,633	—
Health and Family Services	233,896	—
Transportation	569,257	—
Nonmajor Governmental Funds	691,177	520
Internal Service Funds	9,201	1
Business-type Activities		
Transportation	—	—
Lottery	129	—
Hurricane Catastrophe Fund	13,500	—
Prepaid College Program	—	—
Reemployment Assistance	12,562	—
Nonmajor Enterprise Funds	18,462	—
Fiduciary Funds		
Private-purpose Trust Funds	2,128	—
Pension and Other Employee Benefits Trust Funds	143	23,630
Custodial Funds	1,335	—
Total	\$ 5,310,105	\$ 24,154

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)			
	Business-type Activities			
	Transportation	Lottery	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	\$ —	\$ —	\$ 530,168	\$ 2,846
Natural Resources, Environment, and Growth Management	—	—	45	—
Public Education	—	—	21	—
Health and Family Services	—	—	1,127	975
Transportation	151,155	—	59	—
Nonmajor Governmental Funds	—	—	372	3,122
Internal Service Funds	1	39	31	10
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	14	—
Hurricane Catastrophe Fund	—	—	—	—
Prepaid College Program	—	—	—	—
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	71	—
Fiduciary Funds				
Private-purpose Trust Funds	—	—	1	—
Pension and Other Employee Benefits Trust Funds	—	—	3	20,198
Custodial Funds	—	—	—	—
Total	\$ 151,156	\$ 39	\$ 531,912	\$ 27,151

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Custodial Funds	Total
Governmental Activities				
General Fund	\$ 1,770	\$ 15,589	\$ 1,270	\$ 8,791,555
Natural Resources, Environment, and Growth Management	—	—	—	254,639
Public Education	—	—	—	1,116,538
Health and Family Services	—	—	—	566,219
Transportation	—	—	—	852,511
Nonmajor Governmental Funds	—	—	—	3,318,422
Internal Service Funds	—	27,747	—	47,699
Business-type Activities				
Transportation	—	—	—	73,700
Lottery	—	—	—	2,333,647
Hurricane Catastrophe Fund	—	—	—	13,500
Prepaid College Program	16,111	—	—	16,111
Reemployment Assistance	—	—	—	12,562
Nonmajor Enterprise Funds	—	—	—	125,994
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	2,250
Pension and Other Employee Benefits Trust Funds	—	924,731	—	971,685
Custodial Funds	—	—	—	1,917
Total	\$ 17,881	\$ 968,067	\$ 1,270	\$ 18,498,949

NOTE 15 - RISK MANAGEMENT

A. State Risk Management Trust Fund

The State Risk Management Trust Fund (Fund) provides property insurance coverage for state buildings and contents against loss from fire, lightning, sinkholes, flood, and other hazards customarily insured by extended coverage. The property insurance program has a self-insured retention of \$2 million per occurrence for losses arising from all perils listed above except named windstorm and flood. The property insurance program also has a self-insured retention of \$2 million per occurrence for losses arising from named windstorm and flood, but with an additional annual aggregate self-insured retention of \$40 million. Commercial reinsurance is purchased for losses over the self-insured retention up to \$56.27 million per occurrence for named windstorm and flood losses through February 15, 2023, and \$225 million per occurrence for covered perils other than named windstorm and flood.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by an actuarial method and includes an amount for losses incurred but not yet reported. The amount paid for property claim losses did not exceed the self-insured retentions for the last two fiscal years. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2021, and June 30, 2022, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2021	\$ 1,035	\$ 2,463	\$ (2,186)	\$ 1,312
June 30, 2022	\$ 1,312	\$ 3,349	\$ (2,744)	\$ 1,917

The estimated liability for unpaid property insurance claims for the fiscal year ended June 30, 2022, does not include outstanding property claim loss payments resulting from Hurricane Ian that made landfall in the Fort Myers area on September 27, 2022, or from Hurricane Nicole that made landfall on South Hutchinson Island on November 10, 2022. Preliminary estimates of Hurricane Ian losses total \$60 million and preliminary estimates of Hurricane Nicole losses total \$2 million. If paid losses from Hurricane Ian exceed the self-insured retention of \$2 million per occurrence and the additional annual aggregated self-insured retention of \$40 million, the Fund would expect to receive recoveries from commercial reinsurance for paid losses exceeding \$42 million. If the \$40 million annual aggregate self-insured retention is exhausted by Hurricane Ian losses, the Fund would expect to receive recoveries from commercial reinsurance for paid Hurricane Nicole losses exceeding the \$2 million per occurrence self-insured retention.

The Fund also provides casualty insurance coverage for the risks of loss related to federal civil rights and employment actions, workers' compensation, court-awarded attorney fees, automobile liability, and general liability. The state is self-insured for all claims associated with liability risks and in-state workers' compensation coverage. The state purchases an insurance policy for out-of-state workers' compensation coverage.

The estimated liability for unpaid casualty insurance claims at June 30, 2022, was \$1.13 billion. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity claims liability of \$233.4 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is \$340.6 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2021, and June 30, 2022, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2021	\$ 1,150,818	\$ 143,727	\$ (129,398)	\$ 1,165,147
June 30, 2022	\$ 1,165,147	\$ 107,078	\$ (138,054)	\$ 1,134,171

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2022, decreased by \$36.6 million as compared to the previous fiscal year.

B. Employee and Retiree Health Insurance Funds

Employees and retirees may obtain health care services through participation in the state's group health insurance plan or through membership in a health maintenance organization plan under contract with the state. The state's risk financing activities associated with state group health insurance, such as the risks of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund, an internal service fund. It is the practice of the state not to purchase commercial coverage for the risks of losses covered by this program.

The program's estimated fiscal year-end liability includes an amount for claims that have been incurred but not reported, which is based on analyses of historical data performed by both the state and its contractors. Changes in claims liability amounts for the fiscal years ended June 30, 2021, and June 30, 2022, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2021	\$ 194,534	\$ 2,225,921	\$ (2,180,869)	\$ 239,586
June 30, 2022	\$ 239,586	\$ 2,617,811	\$ (2,574,408)	\$ 282,989

During the year, for program operations, both employee and retiree participation in the state group health insurance program are accounted for in the State Employees Group Health Insurance Trust Fund. Retiree participation in the program is considered an Other Postemployment Benefit (OPEB) for purposes of this report. See Note 8, Section B regarding OPEB for additional information. Asset and liability balances related to retiree participation in the program as of June 30, 2022, were transferred from the State Employees Group Health Insurance Trust Fund and reported in Other Agency Funds in accordance with the requirements of GASB Codification Section P53, *Reporting Assets Accumulated for Defined Postemployment Benefits Other Than Pensions not Provided Through Trusts that Meet Specified Criteria*.

NOTE 16 - FLORIDA PREPAID COLLEGE PROGRAM

The Stanley G. Tate Florida Prepaid College Program (Program) was created in 1987 to provide a medium through which the costs of tuition, tuition differential fee, local fees, and dormitory residence may be paid in advance of enrollment in a state postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. The Florida Prepaid College Board (Board) administers the Program, and the State of Florida guarantees the obligations of the Board to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in an enterprise fund. An actuarial study is performed to determine the Program's funding status. The actuarial present value of future contract benefits reflects the present value of estimated future contract benefits and expenses and is adjusted for the effects of projected tuition and fees increases, dormitory housing fees increases, and termination of contracts. Additional information as of June 30, 2022, is as follows (in millions):

Actuarial present value of future contract benefits, expenses payable, and near-term payables	\$10,032
Net position available (net of outstanding refund payments and unrealized gain/loss on security lending portfolio)	\$12,012
Net position as a percentage of future contract benefits and expenses obligation	119.7%

NOTE 17 -INSURANCE ENTERPRISES

The State of Florida has established multiple enterprises that provide insurance, reinsurance, and guarantee services. The primary risk exposures to the state relate to catastrophic hurricane losses, access to liquidity from credit markets, and ultimate dependence on public assessments.

A. FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 by the Florida Legislature, as a state fund administered by the State Board of Administration (SBA) to provide a source of reimbursement to most residential property insurers for catastrophic hurricane losses, thereby creating additional insurance capacity. Most admitted residential property insurers writing FHCF covered policies are required to purchase reimbursement coverage with the FHCF.

The reimbursement coverage covers a portion of hurricane losses in excess of an insurer's share of an industry wide retention, up to the lesser of either the statutory limit or the actual claims-paying capacity of the FHCF. For the contract year ended May 31, 2022, the industry retention for determining each insurer's retention was \$8.201 billion per hurricane for the two hurricanes with the largest losses and \$2.734 billion for each additional hurricane in the contract year. The aggregate coverage capacity for the contract year (in excess of retention) was \$17.0 billion. The statute requires that an actuarially indicated formula developed by an independent actuary be used to calculate the reimbursement premiums collected for the coverage.

The SBA is required to contract with each insurer writing covered policies in the state to reimburse the insurer for a specified percentage of losses from covered events in excess of the insurer's retention. The total obligation of the SBA with respect to all contracts covering a particular contract year is statutorily capped at the "actual claims-paying capacity" of the FHCF, defined by law as the sum of the balance of the fund as of December 31, of the contract year, plus any reinsurance purchased by the fund, plus the amount the SBA is able to raise through the issuance of revenue bonds. The FHCF estimates its claims-paying capacity twice a year in May and October based on reports of its financial advisors and bond underwriters, and these amounts are reviewed by the FHCF Advisory Council. The FHCF has a fiscal year end of June 30, and its reimbursement contracts expire on May 31. As of June 30, 2022, the FHCF had a net position of \$10.910 billion, including the net position of the State Board of Administration Finance Corporation.

If available resources and pre-catastrophe debenture financing are not adequate to satisfy reimbursement claims, the State Board of Administration Finance Corporation may issue revenue bonds secured by emergency assessments. The SBA has the sole authority to direct the Florida Office of Insurance Regulation to levy assessments on most property and casualty insurance policy premiums on behalf of the FHCF. Aggregate assessments may not exceed 10% and assessments in relation to losses in one contract year may not exceed 6%. This assessment authority is not restricted by the assessments levied by either Citizens Property Insurance Corporation (Citizens), a discretely presented component unit, or the Florida Insurance Guaranty Association, Inc. (FIGA). As of June 30, 2022, the FHCF is not levying assessments.

Hurricane losses represent the estimated ultimate cost of all reported and unreported claims during the year that exceed the participating insurers' individual company retention levels. The estimates for current year and prior year losses are continually reviewed and adjusted as experience develops or new information becomes known and such adjustments are included in current operations. During the 2018 hurricane season, the State of Florida experienced Hurricane Michael, which made landfall as a major Category 5 storm on October 10, 2018. As of June 30, 2022, the estimated ultimate loss to the FHCF for this hurricane was \$1.45 billion. Hurricane Irma, which occurred during the 2017 hurricane season, had an estimated ultimate loss as of June 30, 2022, of \$7.8 billion. The estimated ultimate losses from these events are reflected in the FHCF's net position as of June 30, 2022, and no additional loss development for either storm was recognized during fiscal year ended 2022.

In March 2016, pre-event Series 2016A Revenue Bonds were issued in the amount of \$1.2 billion to provide funds, together with other available funds, to maximize the ability of the FHCF to meet future obligations. The proceeds from these bonds may be used to pay for losses incurred from future covered events. Investment earnings on these funds, as well as reimbursement premiums, if necessary, are used to pay the debt service requirements of these bonds. The final maturity of these bonds in the amount of \$650 million occurred on July 1, 2021.

On September 16, 2020, the Corporation issued \$3.5 billion of pre-event Series 2020A Revenue Bonds to maximize the ability of the Fund to meet future obligations. The proceeds from these bonds may be used to pay for losses incurred from future covered events. Investment earnings on these funds, as well as reimbursement premiums, if necessary, are used to pay the debt service requirements of these bonds. The Series 2020A Revenue Bonds have maturities of \$1.25 billion on July 1, 2025, \$1.0 billion on July 1, 2027, and \$1.25 billion on July 1, 2030, bearing interest rates of 1.258%, 1.705%, and 2.154%, respectively.

In addition to the issuance of bonds, the FHCF has the authority to procure reinsurance for the purpose of maximizing the capacity of the fund. No reinsurance products were purchased for the contract year beginning June 1, 2021, or June 1, 2022.

B. REINSURANCE TO ASSIST POLICYHOLDERS PROGRAM

The Reinsurance to Assist Policyholders program (RAP program) was created by the Florida Legislature under s. 215.5551, F.S., and became effective on May 26, 2022. The program, which is for hurricane seasons 2022 & 2023, is administered by SBA, provides a non-recurring total of \$2 billion in reinsurance coverage for most insurers participating in the FHCF. RAP insurers are reimbursed 90 percent of their covered losses from each covered event in excess of their RAP retention, plus a 10 percent loss adjustment allowance. RAP insurers must participate in contract year 2022, unless the insurer has duplicative reinsurance coverage which requires the insurer to defer coverage to contract year 2023. No RAP funds were paid in FY 2022, as no hurricane events occurred between the effective date and June 30, 2022.

C. CITIZENS PROPERTY INSURANCE CORPORATION

Citizens Property Insurance Corporation (Citizens) was established on August 1, 2002, pursuant to Section 627.351(6), F.S., (the Act), to provide certain residential and non-residential property insurance coverage to qualified risks in the State of Florida under circumstances specified in the Act. This legislation was enacted such that property insurance be provided through Citizens to applicants who are in good faith entitled to procure insurance through the voluntary market, but are unable to do so. Citizens results from a combination of the Florida Residential Property and Casualty Joint Underwriting Association (the FRPCJUA) and the Florida Windstorm Underwriting Association (the FWUA). The FRPCJUA was renamed Citizens and the FWUA's rights, obligations, assets, liabilities, and all insurance policies were transferred to Citizens. Unlike private insurers offering coverage through the admitted market, Citizens is not required to obtain or to hold a certificate of authority issued by the Florida Department of Financial Services, Office of Insurance Regulation (the Office). Likewise, Citizens is not subject to Risk-Based Capital (RBC) requirements or required to have a pledged deposit on file with the State of Florida. For purposes of its tax-exempt status, Citizens is considered a political subdivision and an integral part of the State of Florida. As such, Citizens' operations may be affected by the legislative process.

Citizens operates pursuant to a Plan of Operation (the Plan) under the Act approved by the Financial Services Commission (the Commission) of the State of Florida. The Commission is composed of the Governor, the Chief Financial Officer, the Attorney General, and the Commissioner of Agriculture of the State of Florida.

Citizens is supervised by a Board of Governors (the Board) which consists of nine individuals who reside in the State of Florida. The Governor appoints three members. The Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives each appoint two members of the Board. At least one of the two members appointed by each appointing officer must have a demonstrated expertise in the insurance industry. The Chief Financial Officer designates one of the appointees as the Board's chair. All Board members serve at the pleasure of their appointing officers.

Citizens' President and Chief Executive Officer (Executive Director) and senior managers are engaged by and serve at the pleasure of the Board. The Executive Director is subject to confirmation by the Florida Senate.

Pursuant to the Act, all revenues, expenses, assets, and liabilities of Citizens shall remain divided into three separate accounts: the Personal Lines Account, the Commercial Lines Account, and the Coastal Account (collectively, the Accounts). A brief history of each account follows:

- Personal Lines Account History* - The FRPCJUA began operations on January 21, 1993, after Hurricane Andrew, pursuant to Section 627.351(6), F.S., to provide certain residential property insurance coverage to qualified risks in the State of Florida for applicants who were in good faith entitled to procure insurance through the private market but were unable to do so. Residential property coverage consists of the types of coverage provided to homeowners, mobile homeowners, tenants, condominium unit owners, and similar policies. The policies provide coverage for all

perils covered under a standard residential policy, subject to certain underwriting requirements. Such policies may exclude windstorm coverage on property within eligible areas. This portion of the FRPCJUA's activities became the Personal Lines Account (PLA) under Citizens.

- *Commercial Lines Account History* - The Florida Property and Casualty Joint Underwriting Association (FPCJUA) was activated in early 1994 to provide commercial residential coverage (i.e., coverage for condominium associations, apartment buildings, and homeowner associations) to organizations unable to obtain such coverage from a private insurer. During 1995, legislation was enacted to transfer all obligations, rights, assets, and liabilities related to commercial residential coverage from the FPCJUA to the FRPCJUA. The legislation required that the premiums, losses, assets, and liabilities be accounted for separately from the FRPCJUA's personal residential business. This portion of the FRPCJUA's activities became the Commercial Lines Account (CLA) under Citizens. In 2006, the FPCJUA was re-activated to provide commercial non-residential wind-only coverage. In 2007, legislation was enacted which resulted in the transfer and assumption of the FPCJUA's commercial non-residential policies by Citizens. These policies were added to the CLA.
- *Coastal Account History* - The FWUA, which was a residual market mechanism for windstorm and hail coverage in select areas of the State of Florida, was created by an act of the Florida Legislature in 1970 pursuant to Section 627.351(2), Florida Statutes. FWUA was a Florida unincorporated association, the members of which were all property insurance companies holding a certificate of authority to provide property insurance coverage in the State of Florida. FWUA provided policies of windstorm insurance for property owners within the eligible areas who were unable to obtain such coverage from private insurers. Insured properties include personal residential, commercial residential, and commercial non-residential properties. This portion of the FWUA's activities became the High-Risk Account under Citizens. In 2007, Citizens received authority to issue multi-peril policies in the High-Risk Account. Pursuant to legislative changes during 2011, the High-Risk Account was renamed the Coastal Account.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Application of these criteria determine potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria, Citizens is a component unit of the State of Florida, and its financial activity is reported in the state's Annual Comprehensive Financial Report by discrete presentation.

Citizens has determined that it has no component units that should be included in its separately reported financial statements. However, the Florida Market Assistance Plan (FMAP) is a financially related entity. FMAP is a 501(c)(6) entity created by Section 627.3515, F.S. FMAP was created for the purpose of assisting in the placement of applicants who are unable to procure property or casualty insurance coverage from authorized insurers when such insurance is otherwise generally available. As provided in FMAP's enabling legislation, each person serving on the Board of Citizens also serves on the Board of FMAP. In addition, Citizens is required to fund any deficit incurred by FMAP in performing its statutory purpose. No such funding has taken place from FMAP inception through December 31, 2021.

D. FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

The Florida Insurance Guaranty Association, Inc. (FIGA), a not-for-profit corporation, was established by the Florida Legislature through the Florida Insurance Guaranty Association Act of 1970 (the Act). FIGA was created to provide a mechanism for the payment of covered claims of insolvent insurers and to assist in the detection and prevention of insurers' insolvencies. FIGA operates under the supervision and approval of a board of directors, comprised of five to nine persons, pursuant to Section 631.56, F.S. Seven persons are recommended by member insurers, unless Citizens Insurance Corporation represents one of the top ten writers of the residential property insurance market, in which case, six are recommended by member insurers. Two additional Board members, one recommended by Florida domestic members and the other by the Department of Financial Services (the Department). Recommendations to the Board are reviewed and subsequently appointed by the Department.

The members of FIGA are all insurers that hold a certificate of authority to provide property and casualty coverage in the State of Florida.

The funding of FIGA's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and as considered necessary, levied against member insurers on the basis of direct written premiums in the State of Florida in the classes protected by the Act. FIGA obtains the amount of the direct written premiums, by company and by class of protection, to use as the basis for assessment calculations. The maximum regular

assessment rate is 2%. In addition to the regular assessment, FIGA has the authority to levy an emergency assessment up to an additional 4% of direct written premiums for the account specified in Section 631.55(2)(b), F.S. to pay covered claims of insurers rendered insolvent by the effects of a hurricane. FIGA also has the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, F.S., to issue tax-exempt bonds should the funding need arise for the account specified in Section 631.55(2)(b), F.S. As of June 30, 2022, FIGA has not needed to utilize this bonding authority and no tax-exempt bonds have been issued.

FIGA's Board of Directors certified in 2021 and 2022 the need to assess each member insurer on the following:

- .70% assessment was levied on all new or renewal policies with effective dates beginning January 1, 2022, through December 31, 2022.
- 1.30% assessment was levied on all new or renewal policies with effective dates beginning July 1, 2022, through June 30, 2023, and
- .70% assessment was levied on all new or renewal policies with effective dates beginning January 1, 2023, through December 31, 2023.

E. FLORIDA WORKERS' COMPENSATION INSURANCE GUARANTY ASSOCIATION, INC.

The Florida Workers' Compensation Insurance Guaranty Association, Inc. (FWCIGA), a not-for-profit corporation, was established by the Florida Legislature in 1997 as a merger of the workers' compensation account of the Florida Insurance Guaranty Association, Inc. and the Florida Self-Insurance Fund Guaranty Association. FWCIGA was created to provide a mechanism for the payment of covered claims of insolvent workers' compensation insurers and to assist in the detection and prevention of insurers' insolvencies. FWCIGA operates under the supervision and approval of a board of directors, comprised of eleven persons. Eight directors are recommended by member insurers pursuant to Section 631.912, F.S. and subsequently appointed by the Florida Department of Financial Services. The remaining three directors are the Florida Insurance Consumer Advocate, designee of the state's Chief Financial Officer and one person with commercial insurance experience appointed by the Governor.

The members of FWCIGA are all insurers that hold a certificate of authority to provide workers' compensation coverage in the State of Florida.

The funding of FWCIGA's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and as considered necessary, levied against member insurers on the basis of workers' compensation direct written premiums in the State of Florida prior to reductions for discounts or credits for deductibles in a policy or by any premium adjustment to a retrospectively rated policy. FWCIGA obtains the amount of the direct written premiums, by company, to use as the basis for assessment calculations. The maximum assessment rate is 2% for insurance companies and self-insurance funds. In addition to the regular assessment, the Florida Legislature granted FWCIGA the authority to levy up to an additional 1.5% of direct written premiums if the 2% assessment is insufficient to make payments for the calendar year.

NOTE 18 - CONTINGENCIES

A. Federal Family Education Loan Program

The Florida Department of Education (FDOE) administers the Federal Family Education Loan Program (FFELP), 20 USC S. 1071 et. Seq. The primary purpose is to guarantee the repayment of principal and accrued interest of eligible student loans made by participating lenders under the FFELP.

The Higher Education Amendments of 1998 (the Amendments) were enacted on October 7, 1998, with a retroactive date of October 1, 1998, for most provisions. The Amendments changed the financial and reporting structure of guaranty agencies. Pursuant to the amendments, the FDOE established a Federal Student Loan Reserve Fund (Federal Fund) and a Guaranty Agency Operating Fund, as required, to account for the FFELP activities, 20 USC s. 1072a and s. 1072b.

The regulations for administering the program are found in Title 34 of the Code of Federal Regulations, Part 682. Student loans are issued by participating financial institutions to eligible students and their parents under FFELP. If a student loan guaranteed by FDOE defaults, the Federal Fund pays the lender for the defaulted student loan. The United States Department of Education (USDOE) is the program's reinsurer. Reinsurance amounts received from the USDOE to replenish the Federal Fund are currently 100%. Once the loan has defaulted, the FDOE begins collection activities with the borrower.

The passage of the Health Care and Education Reconciliation Act of 2010 ended the guarantor portion of the program after June 30, 2010. FDOE still manages the administrative and collection activities for the loans guaranteed by FDOE prior to July 1, 2010, as required by FFELP. The Federal Fund is used to account for assets held by FDOE (an agent for the federal government) and therefore is custodial in nature and is the property of USDOE. On June 30, 2022, approximately \$52.5 million of program loans were still outstanding from loans that had been made prior to the Program ending on June 30, 2010. The amount of potential liability to the Federal Fund is indeterminable, due to FFELP being a 100% reinsurance program.

However, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES Act) provided temporary relief of USDOE owned federal student loans, as part of the COVID-19 emergency relief measures through suspension of loan payments, stopped collections on defaulted loans, and a 0% interest rate. On March 30, 2021, the COVID-19 emergency relief measures were expanded to include federal student loans made through the FFELP loans in default, with a retroactive start date of March 13, 2020. On August 24, 2022, the USDOE announced the final extension to the student loan pause through December 31, 2022, and a targeted student debt cancellation program. The impact of these conditions on the financial and operational functions of FFELP and the potential liability to the Federal Fund is indeterminable.

B. Federally Assisted Grant Programs

Medicaid Program - CMS is requesting state reimbursement of the federal share paid for claimed Medicaid expenditures associated with LIP payments made under Florida's Medicaid Reform Section 1115 Demonstration covering the period from July 1, 2006, through June 30, 2009. The disallowance notices were issued on September 28, 2016, and the AHCA filed its Request for Reconsideration with the CMS on November 21, 2016. On January 19, 2017, AHCA's Request for Reconsideration was denied by CMS. AHCA filed an appeal with the DAB. On February 25, 2021, the DAB entered an order (HHS DAB Decision No. 3032) upholding the disallowance, except as related to Jackson Memorial costs, and remanding for CMS for further fact-finding. CMS will need to reissue its demand and disallowance letters. This will provide the Agency another opportunity to challenge the results. Most disallowance actions result in a reduction in the total disallowance. The amount is currently unspecified and remains to be determined but will not exceed the original disallowance of \$63,233,036 FFP (plus interest).

Medicaid Program - On July 29, 2016, AHCA posted amended outpatient Medicaid rates for state fiscal year 2016-2017 to its website. Those Medicaid reimbursement rate change forms were dated July 29, 2016 ("July 29 Rate Letters"). The Public Health Trust of Miami-Dade County, Florida filed its Petition for Formal Administrative Determination of Invalidity of Agency Statements and Existing Rule 59G-6.030 on October 31, 2016. The petition was then consolidated with other petitions that challenged the same issue. Petitioners alleged the July 29 Rate Letters and the methodology by which AHCA used to calculate the outpatient Medicaid rates are statements that constitute an unadopted rule. On February 13, 2017, the Division of Administrative Hearings (DOAH) issued an Order Extending Stay of Unadopted Rule Challenge and Rescheduling Final Hearing in Existing Rule Challenge. On February 23, 2017, the final hearing was held at DOAH. The Petitioners were unsuccessful, and the Agency prevailed. The hospitals filed an appeal. The appeal concluded and the Court entered an Order in favor of the Hospitals. At this time the Agency is attempting to calculate the impact of this challenge which could result in a net fiscal impact in excess of \$25 million.

Medicaid Program – On January 6, 2022, CMS issued a demand letter requesting repayment in the amount of \$270,896,313 for unallowable payments to Jackson Memorial Hospital under its LIP program for the State fiscal years 2010, through 2014. If AHCA is ultimately unsuccessful in its challenges, it may be required to return \$270,896,313 to the Federal Government. AHCA responded to the demand letter on January 21, 2022. On June 10, 2022, CMS issued a disallowance letter asserting the \$270,896,331 overpayment. Thereafter, on August 9, 2022, AHCA responded that it was requesting reconsideration of the disallowance.

Medicaid Program – On June 10, 2022, CMS issued a disallowance letter asserting an overpayment of \$150,325,421 FFP for alleged unallowable payment to hospital and non-hospital federal qualified health center and county health department providers under its LIP program for June 30, 2014, through June 30, 2018 (DY 8-12). Thereafter, on August 9, 2022, AHCA responded that it was requesting reconsideration of the disallowance. On October 7, 2022, AHCA received notice that the reconsideration request was denied. On November 28, 2022, the Agency filed an appeal to the DAB. The matter is currently abated to allow for settlement discussions to begin.

Medicaid Program - Two Plaintiffs, W.B. and A.W., both Medicaid recipients under the age of 21, by and through their parents and next friends, filed a putative class action lawsuit in the U.S. District Court for the Middle District of Florida. Plaintiffs contend that AHCA’s definition of “medical necessity” conflicts with requirements under the federal Medicaid Act for the provision of Medicaid services to recipients under the age of 21 (under the early and periodic screening, diagnostic, and testing, or “EPSDT”, provisions of the Medicaid Act). Plaintiffs seek to certify a class that would include all Medicaid recipients under the age of 21 in Florida, approximately 2.6 million individuals. Plaintiffs attack two aspects of AHCA’s process for determining whether requested services are appropriate: (1) AHCA’s reliance on its “medical necessity” definition which Plaintiffs contend is more restrictive than federal requirements; and (2) AHCA’s failure to defer in all matters to recommendations of treating professionals. AHCA is seeking dismissal and opposes class certification. On January 19, 2023, the parties filed a joint motion to stay proceedings for 90 days while AHCA engages in rulemaking that affects the case. On January 20, 2023, the Court granted the motion, and the case is now stayed until April 20, 2023. The parties were ordered to participate in mediation while the case is stayed. At this time, the Agency has not determined the fiscal impact; however, it could likely exceed \$25 million.

Medicaid Program - This civil action was filed in the Southern District of Florida in 2013. The United States Department of Justice (USDOJ) alleges that AHCA, Department of Health, Department of Children and Families, and Agency for Persons with Disabilities violate Title II of the Americans with Disabilities Act by improperly placing Medicaid eligible medically complex persons under the age of 21 in nursing facilities or by serving that population in the community in a manner that places them allegedly at (imminent) risk of unnecessary institutionalization. The USDOJ filed an Amended Complaint on June 15, 2022, seeking declaratory and injunctive relief. The State filed its Motion to Dismiss on July 20, 2022. The USDOJ filed its Response to the State’s Motion to Dismiss on August 12, 2022. The State filed its Reply on August 25, 2022. It is possible that the overall impact could exceed \$25 million annually in additional Medicaid payments if the USDOJ is successful.

C. Other

Inpatient/Outpatient Hospital Rate Challenges - Approximately 60 petitioner hospitals challenged Notice of Agency Action letters issued by AHCA in February 2015 regarding inpatient and outpatient hospital rates. The hospitals filed petitions with the Agency Clerk, which were forwarded to the Division of Administrative Hearings. By mutual agreement between AHCA and the petitioners, the cases were relinquished back to AHCA in March 2015 for settlement negotiations, which continue. Approximately half of these petitions have been resolved by final order. An adjustment to inpatient and outpatient reimbursement rates could result in a net fiscal impact exceeding \$25 million.

NOTE 19 - LITIGATION

Due to its size and broad range of activities, the State is involved in various, though sometimes routine, legal actions. The following are the significant loss contingencies associated with legal proceedings:

- A. Gary M. Mahon d/b/a/ Pokey's Lake Gem Citrus Nursery v. Florida Department of Agriculture and Consumer Services, Case No. 08-CA-30736 (9th Cir. Orange County) (on appeal as Case No. 6D23-1432 (Fla. 6th DCA)); John L. and Shelby Mahon d/b/a John's Citrus Trees v. Florida Department of Agriculture and Consumer Services, Case No. 11- CA-3036A (5th Cir. Lake County) (on appeal as Case No. 5D21-3189 (Fla. 5th DCA)); Dooley Groves, Inc. v. Florida Department of Agriculture and Consumer Services, et. al, Case No. 09-CA-12839 (13th Cir. Hillsborough County).**

Plaintiffs in these actions are citrus growers seeking compensation for the removal of their citrus trees by the Florida Department of Agriculture and Consumer Services (DACS).

In Gary M. Mahon, Case No. 08-CA-30736, an Orange County nursery owner sued in inverse condemnation for the destruction of nursery citrus plants. The circuit court found no liability as to 400,000 plants and liability as to 160,284 plants. After a compensation trial, the court entered judgment against DACS for \$2.3 million. An appeal is pending before the Sixth District Court of Appeal.

In John L. and Shelby Mahon, Case No. 11-CA-3036, Lake County nursery owners sued in inverse condemnation for the destruction of nursery citrus plants. The circuit court found no liability as to 7,200 plants and liability as to 7,700 plants. After a compensation trial, the court entered judgment against DACS for \$1.7 million. An appeal is pending before the Fifth District Court of Appeal.

In Dooley Groves, Inc., Case No. 09-CA-12839, a Hillsborough County grove owner sued in inverse condemnation for the destruction of approximately 6,000 citrus trees. The circuit court found liability as to the trees. A compensation trial is not currently scheduled.

- B. C&S Wholesale Grocers, Inc. v. Florida Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco, Case No. 2020-CA-565 (2nd Cir., Leon County); Case No. 1D22-3040 (Fla. 1st DCA)**

C&S Wholesale Grocers, Inc., a wholesale dealer of cigarette and tobacco products, challenged the Department of Business and Professional Regulation's (DBPR) denial of a refund request for certain excise taxes and surcharges the Plaintiff paid on cigarettes for the period November 2016 through November 2019. Plaintiff alleged that these excise taxes and surcharges violate the Commerce Clause and the Equal Protection Clause of the U.S. Constitution by taxing different kinds of tobacco products disparately, without taxing or levying surcharges on cigars. Plaintiff sought declaratory and monetary relief totaling \$34,482,204. In September 2022, the circuit court entered a final judgement in favor of DBPR. An appeal is pending before the First District Court of Appeal.

- C. Christopher Alaniello, et. al, v. State of Florida, Department of Education, et. al, Case No. 2019-CA-1674 (2nd Cir. Leon County); Case No. 1D22-2807 (Fla. 1st DCA)**

Plaintiffs, including current and former individual teachers, seek to maintain a class action suit against the Department of Education (DOE) and certain school districts. Plaintiffs allege DOE improperly authorized districts to withhold payroll taxes from awards under the Best and Brightest Teacher Scholarship Program. Plaintiffs raise several contract and tort claims, request declaratory relief, and seek damages of the difference between what they received and the full statutory scholarship amount. Estimated damages against DOE could exceed \$30 to \$35 million. In August 2022, the circuit court granted DOE's Motion to Dismiss Second Amended Complaint. An appeal is pending before the First District Court of Appeal.

- D. UMB Bank, National Association, v. Florida Department of Transportation, Case No. 2018-CA-2677 (2d Cir., Leon County); Case No. 1D20-3665 (Fla. 1st DCA)**

Plaintiff, as successor trustee of the bonds sold to fund construction of the Garcon Point Bridge, filed suit against the Florida Department of Transportation (DOT), which insures, operates, and maintains the bridge pursuant to a Lease Purchase Agreement with the Santa Rosa Bay Bridge Authority. Plaintiff's claim was based on DOT's failure to increase tolls to facilitate debt service. In February 2022, the First District Court of Appeal affirmed the circuit court's 2020 final judgement in favor of DOT. The parties have resolved all remaining litigation and the case was closed in December 2022.

NOTE 20 - DEFICIT FUND BALANCE AND NET POSITION

A. Governmental Funds

The *Public Education Fund* has a deficit unassigned fund balance of approximately \$860.7 million. The deficit is primarily the result of establishing an advance (long-term liability) on potential future claims by the Department of Financial Services' *Unclaimed Property Trust Fund*. The Department of Financial Services pays claims as they are due from current remittances. If sufficient funds are not available to pay claims, requests are made by the Department of Financial Services to the Department of Education to return the amount of funds necessary to pay claims or funds are borrowed from the Department of Financial Services' *Trust Funds Control Fund* and repaid prior to year-end.

B. Proprietary Funds

The Lottery has a deficit unrestricted net position of approximately \$63.4 million. This deficit is the result of certain liabilities being recorded for reporting purposes only and being excluded from the calculation of transfers to the *Educational Enhancement Trust Fund* as well as undistributed depreciation on investments in excess of the available restricted for undistributed appreciation on restricted investment fund balance. This deficit does not affect the Lottery's ability to pay prizes or provide services.

The Internal Service Fund, *Data Centers*, has a deficit net position of approximately \$4.4 million. This deficit is primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and other post-employment benefit (OPEB) liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

The Internal Service Fund, *Other*, has a deficit net position of approximately \$105.8 million. This deficit is primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and OPEB liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

C. Component Units

The Component Units, *Florida Colleges* and *Other State Universities*, have deficit unrestricted net positions of approximately \$58.4 million and \$321.1 million, respectively. Those deficits are primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and OPEB liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

NOTE 21 - SUBSEQUENT EVENTS

A. Bonds

The following bonds for governmental activities and business-type activities of the primary government were either issued, sold, or defeased subsequent to June 30, 2022:

ISSUANCE OR SALE OF DEBT:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Department of Environmental Protection, Everglades Restoration Revenue Refunding Bonds	2022A	\$ 25,605,000	07/01/2023-07/01/2032	5.000% - 5.000%
Board of Governors, Florida State University Mandatory Student Facility Fee Revenue Bonds	2022A	\$ 44,695,000	07/01/2023-07/01/2042	4.000% - 5.000%
Board of Governors, Florida State University Dormitory Revenue Refunding Bonds	2023A	\$ 24,395,000	05/01/2024-05/01/2033	5.000% - 5.000%
Department of Transportation, Financing Corporation Revenue Bonds	2022	\$ 98,955,000	07/01/2023-07/01/2037	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2023A	\$ 168,330,000	06/01/2024-06/01/2034	5.000% - 5.000%
Business-type Activities:				
Department of Transportation, Turnpike Revenue Bonds	2022C	\$ 191,860,000	07/01/2023-07/01/2052	4.375% - 5.000%

CASH DEFEASANCE OF DEBT:

Agency/Bond/Series	Defeasance Date	Amount	Matures	Interest Rate
Department of Environmental Protection, Florida Forever Revenue Refunding Bonds, Series 2012A	8/11/2022	\$ 19,205,000	7/1/2023	5.00%

B. Hurricanes

On September 28, 2022, Hurricane Ian made landfall near Cayo Costa, in southwestern Florida, as a Category 4 hurricane. A reserve in the amount of \$10 billion has been established for total incurred losses for the Florida Hurricane Catastrophe Fund.

Hurricane Nicole, a Category 1 hurricane passed through the state in November 2022, causing damage along Florida's east coast and Big Bend area. The financial impacts of Hurricane Nicole across the State of Florida are estimated at over \$500 million dollars as summarized in initial damage assessments performed by FEMA, the state, and the local entities. A portion of these costs will be covered by insurance and federal grant programs.

C. Reinsurance to Assist Policyholders Program

The Reinsurance to Assist Policyholders program (RAP program) (see Note 17.B. for a description of this program) requested and received \$400 million dollars from the Executive Office of the Governor in October 2022 as initial funding for RAP related to Hurricane Ian. As the frequency and amount of reimbursements requested from insurers were submitted, a request for an additional \$400 million was made and received in December 2022. As of December 31, 2022, RAP insurers have been reimbursed \$249,096,893 for losses from Hurricane Ian from these funds.

D. Opioid Settlements

The state is currently participating in national opioid settlements with manufacturer Janssen Pharmaceuticals/Johnson & Johnson and the following distributors: Walgreens, CVS, Allergan, Teva, Endo Health Solutions, and Walmart.

The Janssen/Johnson & Johnson settlement was executed on November 8, 2022 for \$299 million and includes amounts due to political subdivisions.

The distributor settlements for opioid remediation are described below:

Settlement Date	Company	Award	Terms
June 16, 2022	Teva	\$177 million	Paid over 15 years plus \$84 million worth of Teva's Naloxone Hydrochloride (temporarily reverses the effects of opioids when an overdose occurs)
June 17, 2022	Walgreens	\$620 million	Paid over 18 years.
June 22, 2022	Allergan	\$122 million	Paid over 11 years.
June 23, 2022	CVS	\$440 million	Paid in equal installments over 18 years.
October 21, 2022	Endo Health Solutions	\$ 55 million	One-time payment
October 21, 2022	Walmart	\$188 million	One-time payment

Additional lesser amounts will be provided by settling companies to cover reimbursement of State and Subdivision litigation costs.

**OTHER REQUIRED
SUPPLEMENTARY
INFORMATION**

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 17,210,151	\$ 17,210,151	\$ 17,210,151	\$ —
Reversions	327,184	327,184	327,184	—
Fund Balances, July 1, 2021, restated	17,537,335	17,537,335	17,537,335	—
REVENUES				
Fees and charges	1,444,699	1,444,697	1,409,353	(35,344)
Licenses	795,880	795,880	455,243	(340,637)
Taxes	46,111,596	45,629,996	51,788,107	6,158,111
Miscellaneous	59	59	786	727
Interest	236,340	236,340	166,977	(69,363)
Grants	16,313	5,033,062	5,782,869	749,807
Refunds	13,642	13,642	697,697	684,055
Transfers and distributions	4,076,349	4,372,449	5,590,423	1,217,974
Other	337,586	337,586	491,627	154,041
Total Revenues	53,032,464	57,863,711	66,383,082	8,519,371
Total Available Resources	70,569,799	75,401,046	83,920,417	8,519,371
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,395,969	4,503,197	4,264,543	238,654
Other personal services	79,112	87,597	74,756	12,841
Expenses	385,027	429,055	414,568	14,487
Grants and aids	16,547,072	16,547,072	16,533,923	13,149
Operating capital outlay	13,438	14,407	12,623	1,784
Food products	67,960	63,310	62,343	967
Fixed capital outlay	177,397	177,397	177,397	—
Lump sum	768,068	6,258	6,258	—
Special categories	16,333,321	16,430,168	16,231,657	198,511
Financial assistance payments	340,996	340,996	326,619	14,377
Continuing Appropriations	—	776,246	776,246	—
Grants/aids to local governments	286,322	286,322	286,322	—
Data processing services	61,103	59,024	50,733	8,291
Pensions and benefits	17,963	2,375	1,149	1,226
Claim bills and relief acts	7,575	7,575	7,575	—
Total Operating Expenditures	39,481,323	39,730,999	39,226,712	504,287
Nonoperating expenditures:				
Transfers	12,146,335	12,146,335	12,146,335	—
Refunds	102,084	102,084	102,084	—
Other	3,767,531	3,767,531	3,767,531	—
Total Nonoperating Expenditures	16,015,950	16,015,950	16,015,950	—
Total Expenditures	55,497,273	55,746,949	55,242,662	504,287
Fund Balances, June 30, 2022	\$ 15,072,526	\$ 19,654,097	\$ 28,677,755	\$ 9,023,658

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Natural Resources, Environment, and Growth Management			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 2,728,048	\$ 2,728,048	\$ 2,728,048	\$ —
Reversions	9,487	9,487	9,487	—
Fund Balances, July 1, 2021, restated	2,737,535	2,737,535	2,737,535	—
REVENUES				
Fees and charges	133,649	158,985	172,916	13,931
Licenses	45,285	63,836	59,726	(4,110)
Taxes	5,300	5,578	315,081	309,503
Miscellaneous	267	555	531	(24)
Interest	28,708	33,012	9,976	(23,036)
Grants	1,173,622	236,201	206,862	(29,339)
Refunds	2,900	2,925	3,700	775
Transfers and distributions	2,256,102	2,963,297	2,928,640	(34,657)
Other	190,794	25,532	213,071	187,539
Total Revenues	3,836,627	3,489,921	3,910,503	420,582
Total Available Resources	6,574,162	6,227,456	6,648,038	420,582
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	391,450	399,714	374,286	25,428
Other personal services	27,273	30,252	24,961	5,291
Expenses	61,894	62,601	58,880	3,721
Grants and aids	28,797	28,797	27,674	1,123
Operating capital outlay	1,481	1,499	1,074	425
Fixed capital outlay	401,825	401,825	401,825	—
Lump sum	500	—	—	—
Special categories	309,566	342,294	305,687	36,607
Grants/aids to local governments	652,813	652,813	652,813	—
Data processing services	340	763	763	—
Total Operating Expenditures	1,875,939	1,920,558	1,847,963	72,595
Nonoperating expenditures:				
Transfers	421,894	421,894	421,894	—
Refunds	17,592	17,592	17,592	—
Other	377,445	377,445	377,445	—
Total Nonoperating Expenditures	816,931	816,931	816,931	—
Total Expenditures	2,692,870	2,737,489	2,664,894	72,595
Fund Balances, June 30, 2022	\$ 3,881,292	\$ 3,489,967	\$ 3,983,144	\$ 493,177

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 1,192,042	\$ 1,192,042	\$ 1,192,042	\$ —
Reversions	21,376	21,376	21,376	—
Fund Balances, July 1, 2021, restated	1,213,418	1,213,418	1,213,418	—
REVENUES				
Fees and charges	1,992,287	56,899	57,951	1,052
Licenses	961	1,146	1,146	—
Taxes	805,491	707,679	707,638	(41)
Miscellaneous	41,539	7	7	—
Interest	17,615	13,008	9,959	(3,049)
Grants	16,273,959	6,101,504	6,097,878	(3,626)
Refunds	1,502	26,765	26,911	146
Transfers and distributions	3,087,080	3,554,993	3,643,726	88,733
Other	234,069	232,241	281,829	49,588
Total Revenues	22,454,503	10,694,242	10,827,045	132,803
Total Available Resources	23,667,921	11,907,660	12,040,463	132,803
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	48,019	48,219	38,060	10,159
Other personal services	972	997	171	826
Expenses	6,848	6,583	3,124	3,459
Grants and aids	6,981,745	4,837,537	4,524,666	312,871
Operating capital outlay	489	489	30	459
Food products	—	—	—	—
Fixed capital outlay	1,363,883	1,363,883	1,363,883	—
Lump sum	1,761,625	—	—	—
Special categories	1,736,518	4,078,597	4,078,597	—
Financial assistance payments	84,914	84,914	84,869	45
Payments to U.S. Treasury	6,990	1,443	1,443	—
Data processing services	9,318	9,837	9,418	419
Total Operating Expenditures	12,001,321	10,432,499	10,104,261	328,238
Nonoperating expenditures:				
Transfers	186,200	186,200	186,200	—
Refunds	301	301	301	—
Other	3,942	3,942	3,942	—
Total Nonoperating Expenditures	190,443	190,443	190,443	—
Total Expenditures	12,191,764	10,622,942	10,294,704	328,238
Fund Balances, June 30, 2022	\$ 11,476,157	\$ 1,284,718	\$ 1,745,759	\$ 461,041

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 1,376,883	\$ 1,376,883	\$ 1,376,883	\$ —
Reversions	681,178	681,178	681,178	—
Fund Balances, July 1, 2021, restated	2,058,061	2,058,061	2,058,061	—
REVENUES				
Fees and charges	2,688,021	2,832,075	2,173,871	(658,204)
Licenses	21,723	21,765	27,125	5,360
Taxes	755,281	755,281	757,067	1,786
Interest	2,689	1,713	2,183	470
Grants	27,708,717	27,252,324	27,252,324	—
Refunds	2,516,021	2,564,709	2,776,261	211,552
Transfers and distributions	3,438,151	3,731,249	4,052,950	321,701
Other	40,553	47,263	71,160	23,897
Total Revenues	37,171,156	37,206,379	37,112,941	(93,438)
Total Available Resources	39,229,217	39,264,440	39,171,002	(93,438)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,375,893	1,393,321	1,177,665	215,656
Other personal services	125,322	127,334	91,153	36,181
Expenses	289,314	289,003	244,884	44,119
Grants and aids	124,527	124,527	117,447	7,080
Operating capital outlay	14,265	15,791	5,821	9,970
Food products	1,593	1,593	925	668
Fixed capital outlay	4,196	4,196	4,196	—
Lump sum	101,331	—	—	—
Special categories	29,165,441	33,369,197	33,303,685	65,512
Financial assistance payments	30,390	63,659	38,222	25,437
Data processing services	21,989	19,992	19,669	323
Total Operating Expenditures	31,254,261	35,408,613	35,003,667	404,946
Nonoperating expenditures:				
Continuing Appropriations	47,071	47,071	47,071	—
Transfers	2,206,454	2,206,454	2,206,454	—
Refunds	9,500	9,500	9,500	—
Other	1,032,777	1,032,777	1,032,777	—
Total Nonoperating Expenditures	3,295,802	3,295,802	3,295,802	—
Total Expenditures	34,550,063	38,704,415	38,299,469	404,946
Fund Balances, June 30, 2022	\$ 4,679,154	\$ 560,025	\$ 871,533	\$ 311,508

The notes to required supplementary information are an integral part of this schedule.

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Transportation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 347,105	\$ 347,105	\$ 347,105	\$ —
Reversions	16,121	16,121	16,121	—
Fund Balances, July 1, 2021, restated	363,226	363,226	363,226	—
REVENUES				
Fees and charges	149,380	163,986	149,380	(14,606)
Taxes	3,190,663	4,235,168	3,190,663	(1,044,505)
Interest	968	968	818	(150)
Refunds	—	—	15,274	15,274
Bond proceeds	210,000	—	—	—
Transfers and distributions	1,816,818	790,565	494,280	(296,285)
Other	29,600	20,193	11,913	(8,280)
Total Revenues	5,397,429	5,210,880	3,862,328	(1,348,552)
Total Available Resources	5,760,655	5,574,106	4,225,554	(1,348,552)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	—	4,562	4,303	259
Other personal services	—	84	50	34
Expenses	—	771	695	76
Operating capital outlay	—	5	—	5
Fixed capital outlay	389,714	389,714	389,714	—
Special categories	55,337	55,337	55,337	—
Total Operating Expenditures	445,051	450,473	450,099	374
Nonoperating expenditures:				
Transfers	32,806	32,806	32,806	—
Refunds	85,476	85,476	85,476	—
Other	3,244,576	3,244,576	3,244,576	—
Total Nonoperating Expenditures	3,362,858	3,362,858	3,362,858	—
Total Expenditures	3,807,909	3,813,331	3,812,957	374
Fund Balances, June 30, 2022	\$ 1,952,746	\$ 1,760,775	\$ 412,597	\$ (1,348,178)

The notes to required supplementary information are an integral part of this schedule.

BUDGET TO GAAP RECONCILIATION
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	\$ 28,677,755	\$ 3,983,144	\$ 1,745,759	\$ 871,533	\$ 412,597
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	2,963,502	113,860	107,783	9,214	228,741
Fair value adjustments to investments within the State Treasury	(2,134,186)	(93,197)	(88,222)	(7,542)	(187,229)
Special investments within the State Treasury	35,374	—	—	60,747	—
Non-State Treasury cash and investments	314,193	5,968	1	172,181	2,896,470
Adjustment for State Transportation Trust Fund elimination	—	—	—	—	590,547
Adjusted budgetary basis fund balances	29,856,638	4,009,775	1,765,321	1,106,133	3,941,126
Adjustments (basis differences):					
Net receivables/(payables) not carried forward	(2,277,306)	1,836,271	(980,286)	2,856,529	(1,848,731)
Net deferred outflows/(inflows) of resources	(223,827)	(971)	—	(1,314,673)	(269,973)
Inventories, prepaid items and deferred charges	49,090	755	—	31,470	8,871
Encumbrances	370,232	50,669	663,802	61,430	53,996
GAAP basis fund balances	<u>\$27,774,827</u>	<u>\$ 5,896,499</u>	<u>\$ 1,448,837</u>	<u>\$ 2,740,889</u>	<u>\$ 1,885,289</u>

The notes to required supplementary information are an integral part of this schedule.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

Budget Process

Chapter 216, Florida Statutes (F.S.), promulgates the process used to develop the budget for the State of Florida. Each year, the head of each state agency and the Chief Justice of the Supreme Court for the Judicial Branch submit a final annual legislative budget request to the Governor and Legislature by October 15 as required in Section 216.023(1), F.S. Then, at least 30 days before the scheduled annual legislative session in each year, the Governor, as Chief Budget Officer, submits his recommended budget to each legislator.

The Governor also provides estimates of revenues sufficient to fund the recommended appropriations. Revenue estimates for the General Fund and selected trust funds are made by the Revenue Estimating Conference. This group includes members of the Executive and Legislative branches with forecasting experience who develop official information regarding anticipated state and local government revenues as needed for the state budgeting process. Revenue estimates for trust funds not projected by the Revenue Estimating Conference (consisting mainly of special revenue funds) are provided by state agencies. These estimates may be revised during the course of the Legislature's consideration and adoption of a final budget. These estimates, together with known available cash balances, are further considered by the Governor and the Chief Justice of the Florida Supreme Court during the preparation of annual release (spending) plans. Further adjustments to the original budget's trust fund revenue estimates may be made to conform agency revenue estimates to actual and projected revenue streams.

The Governor's recommended budget is considered and amended by the Legislature and a final appropriations bill is then approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature); this bill then becomes the General Appropriations Act. The Governor and the Chief Justice of the Supreme Court may, under certain conditions and subject to the review and objection procedures set forth in Section 216.177, F.S., establish appropriations and corresponding releases for amounts not appropriated by the Legislature to agencies and the Judicial Branch, respectively. This includes appropriations for non-operating disbursements, such as the purchase of investments and the transfer of money between state funds.

If circumstances warrant, the head of a department or the Chief Justice of the Supreme Court may transfer appropriations (other than fixed capital outlay appropriations) but only to the extent of 5 percent of the original appropriation or \$250,000, whichever is greater, or within certain programs and between identical funding sources and specific appropriation categories. Transfers of general revenue appropriations in excess of 5 percent or \$250,000, whichever is greater, or for fixed capital outlay, or for transfers of general revenue appropriations not allowed within the departments' program flexibility may be approved by the Legislative Budget Commission. The Governor and the Chief Justice of the Supreme Court may approve changes of expenditure authority within any trust fund for agencies and the Judicial Branch, respectively, if the changes are less than \$1 million. The Legislative Budget Commission may approve trust fund changes in excess of \$1 million. At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances in governmental fund types), may be carried forward into the next fiscal year. If these appropriations, however, have not been disbursed by September 30 they will revert pursuant to Section 216.301(1), F.S.

The Chief Financial Officer approves disbursements in accordance with legislative authorizations. The budget is controlled at the account code level, which is defined as an appropriation category (e.g., salaries and benefits), and funded within a budget entity. The Governor and the Chief Financial Officer are responsible for detecting conditions which could lead to a deficit in any agency's funds and reporting that fact to the Legislative Budget Commission and the Chief Justice of the Supreme Court. The Constitution of the State, Article VII, Section 1(d), states, "Provision shall be made by law for raising sufficient revenue to defray the expenses of the state for each fiscal period."

Budgetary Basis of Accounting

The budgetary basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from funds that are prescribed by law. These legal basis fund types (known as state funds) are the General Revenue Fund, numerous trust funds, and the Budget Stabilization Fund. Certain moneys maintained outside of the State Treasury, known as local funds, are available to agencies for their operations. Because the funds are located in banks outside of the State Treasury, budgetary authority and the disbursement of these funds are not controlled by the Chief Financial Officer. For example, the State Board of Administration operates from such funds.

The state presents budgetary comparison schedules for the General Fund and major special revenue funds as part of the other required supplementary information. In addition, budgetary comparison schedules for non-major special revenue funds which have legally adopted annual budgets are presented with other combining and individual fund statements and schedules.

Budgetary basis revenues are essentially reported on a cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except those for prior year carry/certified forwards, plus current year payables and encumbrances which are carried/certified forward into the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not carried/certified forward to be paid from the current year budget. The Lump Sum expenditure category presented in the budgetary comparison schedules is used as a budgetary tool to track moneys appropriated to a particular fund until subsequent allocations are made to other expenditure categories.

The presentation of budgetary comparison information for the major governmental fund for transportation excludes the State Transportation Trust Fund within the Department of Transportation because it accounts for projects of a multi-year nature, and comparison of actual annual expenditures to a multi-year appropriated amount is not meaningful. Appropriations are made in total the first year of a project even though they are released and expended over the period of construction for a project. For the fiscal year ended June 30, 2022, State Transportation Trust fund revenues and expenditures totaled \$2.43 billion and \$8.25 billion, respectively, with \$5.98 billion of net other financing sources.

Budget to GAAP Reconciliation

The budgetary comparison schedules for the General Fund and the major special revenue funds present comparisons of the original budget and final budget with actual revenues and expenditures on a budgetary basis. A budget to GAAP reconciliation is presented following the budgetary comparison schedules because accounting principles for budgetary basis differ significantly from those used to present financial statements in conformity with GAAP.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS*
(in thousands)

	2014	2015	2016	2017	2018
Proportion of the net pension liability	17.802202632 %	17.961696240 %	18.150587866 %	17.591496280 %	17.733845390 %
Proportionate share of the net pension liability	\$ 1,086,196	\$ 2,319,994	\$ 4,583,038	\$ 5,203,447	\$ 5,341,526
Covered payroll	\$ 4,538,946	\$ 4,591,628	\$ 4,596,099	\$ 4,621,442	\$ 4,791,286
Proportionate share of the net pension liability as percentage of covered payroll	23.93 %	50.53 %	99.72 %	112.59 %	111.48 %
Plan fiduciary net position as a percentage of the total pension liability	96.09 %	92.00 %	84.88 %	83.89 %	84.26 %

Notes to Schedule:

Changes in actuarial assumptions: In 2021, the assumed investment rate of return was decreased from 7.00% to 6.80% for funding purposes.

* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, information was not available for a full 10-year presentation.

SCHEDULE OF STATE CONTRIBUTIONS TO PENSION PLAN
FLORIDA RETIREMENT SYSTEM
LAST 10 FISCAL YEARS*
(in thousands)

	2015	2016	2017	2018	2019
Statutorily required contributions	\$ 437,921	\$ 442,631	\$ 457,950	\$ 505,400	\$ 543,395
Contributions recognized by the plan	437,921	442,631	457,950	505,400	543,395
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 4,591,628	\$ 4,596,099	\$ 4,621,442	\$ 4,791,286	\$ 4,829,858
Contributions recognized by the plan as a percentage of covered payroll	9.54 %	9.63 %	9.91 %	10.55 %	11.25 %

* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, information was not available for a full 10-year presentation.

2019	2020	2021
17.524776601 %	16.981903225 %	16.203571589 %
\$ 6,035,289	\$ 7,360,207	\$ 1,223,995
\$ 4,829,858	\$ 4,826,392	\$ 4,867,575
124.96 %	152.50 %	25.15 %
82.61 %	78.85 %	96.40 %

2020	2021	2022
\$ 564,233	\$ 617,286	\$ 663,500
564,233	617,286	663,500
\$ —	\$ —	\$ —
\$ 4,826,392	\$ 4,867,575	\$ 4,827,203
11.69 %	12.68 %	13.75 %

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 LAST 10 FISCAL YEARS*
 (in thousands)

	2014	2015	2016	2017	2018
Proportion of the net pension liability	15.286183318%	15.144426318 %	14.878355474 %	14.470956524 %	14.641028104 %
Proportionate share of the net pension liability	\$ 1,429,295	\$ 1,544,493	\$ 1,734,011	\$ 1,547,301	\$ 1,549,623
Covered payroll	\$ 4,534,435	\$ 4,588,003	\$ 4,593,175	\$ 4,619,123	\$ 4,789,207
Proportionate share of the net pension liability as percentage of covered payroll	31.52 %	33.66 %	37.75 %	33.50 %	32.36 %
Plan fiduciary net position as a percentage of the total pension liability	0.99 %	0.50 %	0.97 %	1.64 %	2.15 %

Notes to Schedule:

Changes in actuarial assumptions: The municipal bond rate used to determine total pension liability was decreased from 2.21% to 2.16%.

* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, information was not available for a full 10-year presentation.

SCHEDULE OF STATE CONTRIBUTIONS TO PENSION PLAN
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
 LAST 10 FISCAL YEARS*
 (in thousands)

	2015	2016	2017	2018	2019
Statutorily required contributions	\$ 57,891	\$ 76,261	\$ 76,584	\$ 79,399	\$ 80,051
Contributions recognized by the plan	57,891	76,261	76,584	79,399	80,051
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 4,588,003	\$ 4,593,175	\$ 4,619,123	\$ 4,789,207	\$ 4,828,290
Contributions recognized by the plan as a percentage of covered payroll	1.26 %	1.66 %	1.66 %	1.66 %	1.66 %

* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, information was not available for a full 10-year presentation.

2019	2020	2021
14.416053158 %	13.868337484 %	13.711565539 %
\$ 1,613,012	\$ 1,693,301	\$ 1,681,929
\$ 4,828,290	\$ 4,826,392	\$ 4,866,392
33.41 %	35.08 %	34.56 %
2.63 %	3.00 %	3.56 %

2020	2021	2022
\$ 79,917	\$ 80,597	\$ 80,000
79,917	80,597	80,000
\$ —	\$ —	\$ —
\$ 4,826,392	\$ 4,866,392	\$ 4,826,058
1.66 %	1.66 %	1.66 %

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FLORIDA NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN
LAST 10 FISCAL YEARS*
(in thousands)

	2014	2015	2016	2017	2018	2019	2020
<u>Total Pension liability</u>							
Service cost	\$ 5,979	\$ 7,161	\$ 9,044	\$ 12,904	\$ 9,925	\$ 11,581	\$ 13,967
Interest on total pension liability	18,852	19,164	19,259	19,100	21,080	28,506	28,874
Effect of plan changes	—	—	—	—	—	—	—
Effect of economic/demographic (gains) or losses	—	—	27,462	—	39,056	—	24,815
Effects of assumption changes or inputs	27,926	46,330	118,280	(95,586)	90,988	60,964	271,102
Benefit payments	(14,366)	(14,423)	(14,413)	(14,677)	(14,897)	(14,999)	(15,121)
Net changes in total pension liability	38,391	58,232	159,632	(78,259)	146,152	86,052	323,637
Total pension liability, beginning	408,292	446,683	504,915	664,547	586,288	732,441	818,493
Total pension liability, ending	<u>\$446,683</u>	<u>\$504,915</u>	<u>\$664,547</u>	<u>\$586,288</u>	<u>\$732,440</u>	<u>\$818,493</u>	<u>\$1,142,130</u>
<u>Fiduciary Net Position</u>							
Employer contributions	\$ 14,366	\$ 14,495	\$ 14,423	\$ 14,720	\$ 14,905	\$ 15,044	\$ 15,129
Member contributions	—	—	—	—	—	—	—
Investment income net of investment expenses	—	—	—	—	—	—	—
Benefit payments	(14,366)	(14,423)	(14,413)	(14,677)	(14,897)	(14,999)	(15,121)
Administrative expenses	—	(72)	(10)	(43)	(8)	(45)	(8)
Net change in fiduciary position	—	—	—	—	—	—	—
Fiduciary net position-beginning	—	—	—	—	—	—	—
Fiduciary net position-ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Net pension liability-ending	<u>\$446,683</u>	<u>\$504,915</u>	<u>\$664,547</u>	<u>\$586,288</u>	<u>\$732,440</u>	<u>\$818,493</u>	<u>\$1,142,130</u>
Fiduciary net position as a % of the total pension liability	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Covered payroll	\$466,939	\$476,278	\$477,549	\$487,100	\$485,666	\$495,379	\$508,895
Net pension liability as a % of covered-payroll	95.66 %	106.01 %	139.16 %	120.36 %	150.81 %	165.23 %	224.43 %

Notes to Schedule:

Changes in actuarial assumptions: The municipal bond rate used to determine total pension liability increased from 2.16% to 3.54%.

This exhibit will fill in to a ten-year schedule as results for new fiscal years are calculated. Amounts shown in exhibit are rounded to the nearest thousand. As such, sums may differ from amounts displayed due to rounding.

SCHEDULE OF STATE CONTRIBUTIONS TO PENSION PLAN
FLORIDA NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN
LAST 10 FISCAL YEARS*
(in thousands)

	2014	2015	2016	2017	2018	2019	2020
Statutorily required State contribution	\$ 14,366	\$ 14,495	\$ 14,423	\$ 14,720	\$ 14,905	\$ 15,044	\$ 15,129
Contributions recognized by the plan	14,366	14,495	14,423	14,720	14,905	15,044	15,129
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$466,939	\$476,278	\$477,549	\$487,100	\$485,666	\$495,379	\$508,895
Contributions as a percentage of covered-employee payroll	3.08 %	3.04 %	3.02 %	3.02 %	3.07 %	3.04 %	2.97 %

* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, information was not available for a full 10-year presentation.

2021	2022
\$ 24,859	\$ 25,943
25,620	26,114
—	—
—	(37,487)
13,673	(588,365)
(15,505)	(15,581)
48,647	(589,376)
1,142,130	1,190,777
<u>\$1,190,777</u>	<u>\$ 601,401</u>
\$ 15,551	\$ 15,589
—	—
—	—
(15,505)	(15,580)
(46)	(9)
—	\$ —
—	\$ —
<u>\$ —</u>	<u>\$ —</u>
<u>\$1,190,777</u>	<u>\$ 601,401</u>
0.00 %	0.00 %
\$ 519,073	\$ 567,068
229.40 %	106.05 %

2021	2022
\$ 15,551	\$ 15,589
15,551	15,589
<u>\$ —</u>	<u>\$ —</u>
<u>\$519,073</u>	<u>\$567,068</u>
3.00 %	2.75 %

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFITS LIABILITY

LAST 10 FISCAL YEARS*

(in thousands)

	2017	2018	2019
<u>Total OPEB Liability</u>			
Service cost	\$ 558,284	\$ 450,512	\$ 451,019
Interest	350,228	399,969	407,091
Changes of Benefit Terms	—	—	—
Difference between expected and actual experience	—	—	(372,451)
Changes of assumptions or other inputs	(1,746,361)	(931,395)	1,813,838
Benefit payments	(162,902)	(178,619)	(192,800)
Other changes	—	—	—
Net Changes in Total OPEB Liability	(1,000,751)	(259,533)	2,106,697
 Total OPEB Liability - Beginning	 11,811,836	 10,811,085	 10,551,552
Total OPEB Liability - Ending	<u>\$ 10,811,085</u>	<u>\$ 10,551,552</u>	<u>\$ 12,658,249</u>
 Covered-employee payroll ¹	 \$ 7,312,085	 \$ 7,636,518	 \$ 7,644,191
Total OPEB liability as a percentage of covered-employee payroll	147.85 %	138.17 %	165.59 %

*The State of Florida implemented GASB Statement No. 75 in Fiscal Year 2018; therefore, 10-year presentation is not available.

¹ For fiscal years 2017, 2018 and 2019, errors noted in the selection criteria for covered-employee payroll data previously presented for compliance with GASB 75 were noted and corrected.

Note to Required Supplementary Information

The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB) does not have assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

Potential factors that may significantly decrease/increase State's total OPEB liability reported as of June 30, 2022, include discount rate, inflation rate, salary increases, payroll growth, healthcare inflation, retiree contribution increase rate, medical aging factors, healthcare participation, healthcare cost trends, mortality rates, and other demographic assumptions.

An update to the mortality rate tables used and the repeal of the excise ("Cadillac") tax resulted in the significant decrease in OPEB liability for 2020. Other factors such as claims cost and premium rates, medical trend rates, and a change in active medical plan electives resulted in a slight decrease in OPEB liabilities.

2020	2021
\$ 657,518	\$ 518,518
358,795	285,302
—	—
(375,527)	—
(2,845,296)	(386,271)
(163,694)	(166,958)
—	—
(2,368,204)	250,591
12,658,249	10,290,045
<u>\$ 10,290,045</u>	<u>\$ 10,540,636</u>
\$ 8,072,906	\$ 8,125,929
127.46 %	129.72 %

OTHER REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the state has adopted an alternative process to record depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the state expends certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,123 centerline miles of roads and 7,169 bridges that the state is responsible for maintaining.

In order to utilize the modified approach, the state is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Condition and Maintenance Programs

Resurfacing Program: Road pavements require periodic resurfacing. The frequency of resurfacing depends on the volume of traffic, type of traffic, pavement material variability, and weather conditions. Resurfacing preserves the structural integrity of highway pavements and includes pavement resurfacing, pavement rehabilitation, and minor reconstruction.

The Florida Department of Transportation (FDOT) conducts an annual Pavement Condition Survey. Pavements are rated on a scale of 0 to 10 (with 10 being the best) in each of three criteria: ride smoothness, pavement cracking, and wheel path rutting. Ride smoothness is what the motorist experiences. It directly affects motor vehicle operation costs. Pavement cracking refers to the structural deterioration of the pavement, which leads to loss of smoothness and deterioration of the road base by water seepage if not corrected. Wheel path rutting refers to depressions in pavement caused by heavy use. Ride smoothness and wheel path rutting are measured mechanically using lasers. Pavement cracking is determined through visual observation by experienced survey crews.

The condition rating scales were set by a statewide committee of pavement engineers, so that a pavement segment receiving a rating of six or less in any of the three rating criteria is designated a deficient pavement segment. In low-speed areas, the ride rating must drop to five or less before a pavement segment is considered deficient due to ride.

The FDOT standard is to ensure that 80% of the pavement on the State Highway System remains non-deficient.

Bridge Repair/Replacement Program: The FDOT Bridge Repair Program places primary emphasis on periodic maintenance and specified rehabilitation work activities on State Highway System bridge structures. The FDOT Bridge Replacement Program's primary focus is on the replacement of structurally deficient or weight restricted bridges on the State Highway System. In addition, the Bridge Replacement Program addresses bridges that require structural repair, but which are more cost effective to replace.

The FDOT conducts bridge condition surveys using the National Bridge Inspection Standards to determine condition ratings. Each bridge is inspected at least once every two years. During the inspection process, the major components such as deck, superstructure, and substructure are assigned a condition rating. The condition rating ranges from 0 to 9. By FDOT policy, a rating of 8 to 9 is excellent. A rating of 6 to 7 is good. A rating of 5 indicates fair condition. A rating of 4 or less identifies bridges in poor condition requiring major repairs or replacement per FDOT policy. A rating of 2 indicates a critical bridge condition, and a rating of 1 indicates imminent bridge failure and is used for a bridge that is closed, but with corrective action may be put back into light service. A rating of 0 indicates that the bridge is out of service and beyond corrective action. Per FDOT policy, bridges rated fair or poor do not meet performance standards.

The FDOT standard is to ensure that 90% of all department maintained bridges do not need major repairs or replacement.

Routine Maintenance Program: The FDOT is responsible for managing and performing routine maintenance on the State Highway System to help preserve the condition of the system. Routine maintenance includes many activities, such as repairing highways, keeping up roadsides, responding to emergencies, maintaining signs, striping roadways, and keeping storm drains clear and structurally sound.

The quality and effectiveness of the routine maintenance program is monitored by periodic surveys, using the Maintenance Rating Program (MRP), which results in an annual assessment. The MRP has been used since 1985 to evaluate routine maintenance of the transportation system in five broad categories or elements. The five rating elements are roadway, roadside, vegetation/aesthetics, traffic services, and drainage. The MRP provides a maintenance rating of 0 to 100 for each category and overall.

The FDOT standard is to achieve and maintain an overall maintenance rating of 80.

Condition Rating for the State Highway System

Percentage of pavement meeting FDOT standards

<u>2022</u>	<u>2021</u>	<u>2020</u>
81%	84%	87%

Percentage of bridges meeting FDOT standards

<u>2022</u>	<u>2021</u>	<u>2020</u>
94%	94%	95%

Maintenance Rating

<u>2022</u>	<u>2021</u>	<u>2020</u>
83	83	83

Comparison of Needed-to-Actual Maintenance Preservation (in millions)

Resurfacing Program

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Needed \$	884.0	\$ 669.9	\$ 535.0	\$ 555.6	\$ 590.4
Actual	941.3	557.0	451.5	479.8	522.6

Bridge Repair/Replacement Program

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Needed \$	447.4	\$ 386.7	\$ 980.8	\$ 114.3	\$ 239.6
Actual	412.6	384.5	1,036.1	104.6	240.3

Routine Maintenance Program

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Needed \$	734.3	\$ 712.6	\$ 694.6	\$ 690.1	\$ 655.0
Actual	896.4	821.0	805.5	817.7	756.1

The FDOT determines its program needs based on a five-year plan. The needed amounts provided above are for estimated expenses and commitments relating to projects within the plan at the time of the budget request. The nature of a long-term plan is that it is continually changing. Projects are added, deleted, adjusted, or postponed. The differences between the needed and actual amounts above reflect these changes.

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FINANCIAL SECTION:

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**

NONMAJOR FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Individual fund descriptions and financial statements begin on page 213.

CAPITAL PROJECTS FUNDS

Individual fund descriptions and financial statements begin on page 242.

DEBT SERVICE FUNDS

Individual fund descriptions and financial statements begin on page 246.

PERMANENT FUNDS

Funds in this category include those administered by the Fish and Wildlife Conservation Commission, used to support fish and wildlife conservation programs of the State, in accordance with Section 379.207, Florida Statutes. The primary source of the principal of the funds includes proceeds of gifts, grants, contributions, and the sale of lifetime licenses. Also included in this category are various private scholarship funds administered by the Department of Education and used to pay scholarship awards as specified by the contributors. Only the interest income received and accrued from the investments of these funds can be used. No disbursement is made from the principal of the funds.

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COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	Totals 6/30/22
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 16,427	\$ —	\$ —	\$ 73	\$ 16,500
Pooled investments with State Treasury	4,495,863	103,361	—	43,526	4,642,750
Other investments	311,602	—	15,899	—	327,501
Receivables, net	935,949	84	186	110	936,329
Due from other funds	79,900	109,377	—	—	189,277
Due from component units/primary	15	—	—	—	15
Lease receivables	6	—	—	—	6
Inventories	101,062	—	—	—	101,062
Other	177	—	—	—	177
Total current assets	5,941,001	212,822	16,085	43,709	6,213,617
<u>Noncurrent assets</u>					
Long-term investments	38,410	—	—	—	38,410
Other loans and notes receivable, net	1,812,437	—	—	—	1,812,437
Total noncurrent assets	1,850,847	—	—	—	1,850,847
Total assets	7,791,848	212,822	16,085	43,709	8,064,464
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	605,981	1,268	—	—	607,249
Due to other funds	266,790	7,914	22	4	274,730
Due to component units/primary	6,258	—	—	—	6,258
Compensated absences	951	—	—	—	951
Claims payable	5,975	—	—	—	5,975
Deposits	6,533	—	—	—	6,533
Obligations under security lending agreements	125,339	6,015	—	2,734	134,088
Total current liabilities	1,017,827	15,197	22	2,738	1,035,784
<u>Noncurrent liabilities</u>					
Advances from other funds	983	—	—	—	983
Deposits	67	—	—	—	67
Total noncurrent liabilities	1,050	—	—	—	1,050
Total liabilities	1,018,877	15,197	22	2,738	1,036,834
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	168,540	—	—	—	168,540
Unavailable revenue	1,588,466	—	—	—	1,588,466
Lease related	6	—	—	—	6
Total deferred inflows of resources	1,757,012	—	—	—	1,757,012
FUND BALANCES					
Nonspendable	101,191	—	—	72	101,263
Restricted	1,923,073	82,399	16,063	34,680	2,056,215
Committed	2,991,695	115,226	—	6,219	3,113,140
Unassigned	—	—	—	—	—
Total fund balances	5,015,959	197,625	16,063	40,971	5,270,618
Total liabilities, deferred inflows and fund balances	\$ 7,791,848	\$ 212,822	\$ 16,085	\$ 43,709	\$ 8,064,464

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	Totals 6/30/22
REVENUES					
Taxes	\$ 335,652	\$ —	\$ —	\$ —	\$ 335,652
Licenses and permits	1,932,275	—	—	4,531	1,936,806
Fees and charges	760,268	—	—	—	760,268
Grants and donations	5,281,932	1,309	—	—	5,283,241
Investment earnings (losses)	(58,536)	(776)	1,906	(1,159)	(58,565)
Fines, forfeits, settlements and judgments	549,128	—	—	—	549,128
Other	108,950	—	50	—	109,000
Total revenues	8,909,669	533	1,956	3,372	8,915,530
EXPENDITURES					
Current:					
General government	3,766,737	41,668	1,311	—	3,809,716
Education	217,150	2,389	—	5,195	224,734
Human services	479,600	4,150	—	—	483,750
Criminal justice and corrections	507,378	59,867	—	—	567,245
Natural resources and environment	1,980,461	—	—	53	1,980,514
Transportation	—	173	—	—	173
Judicial branch	105,623	—	—	—	105,623
Capital outlay	516,756	33,735	—	—	550,491
Debt service:					
Principal retirement	575	—	1,085,221	—	1,085,796
Interest and fiscal charges	1,436	—	454,861	—	456,297
Total expenditures	7,575,716	141,982	1,541,393	5,248	9,264,339
Excess (deficiency) of revenues over expenditures	1,333,953	(141,449)	(1,539,437)	(1,876)	(348,809)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	—	—	1,474	—	1,474
Proceeds of refunding bonds	—	—	808,478	—	808,478
Operating transfers in	3,561,204	201,733	1,547,168	—	5,310,105
Operating transfers out	(3,194,385)	(98,019)	(25,756)	(262)	(3,318,422)
Lease liabilities issued	457,105	—	—	—	457,105
Proceeds of financing agreements	1,032	—	—	—	1,032
Payments to refunded bond agent	—	—	(808,478)	—	(808,478)
Total other financing sources (uses)	824,956	103,714	1,522,886	(262)	2,451,294
Net change in fund balances	2,158,909	(37,735)	(16,551)	(2,138)	2,102,485
Fund balances - beginning, as restated (Note 2)	2,857,050	235,360	32,614	43,109	3,168,133
Fund balances - ending	\$ 5,015,959	\$ 197,625	\$ 16,063	\$ 40,971	\$ 5,270,618

NONMAJOR SPECIAL REVENUE FUNDS

EMPLOYMENT SERVICES

This fund includes internal reporting funds used for employee-service related programs of an administrative nature (non risk-related), such as workers' compensation, employment security, and labor market statistics.

GOVERNMENT ADMINISTRATION

This fund includes internal reporting special revenue funds primarily administered by the Department of State, Department of Management Services, and Department of Financial Services.

BUSINESS AND COMMUNITY DEVELOPMENT

This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor and the Department of Economic Opportunity.

REGULATION AND LICENSING

This fund includes internal reporting special revenue funds primarily administered by the Department of Business and Professional Regulation, Department of Highway Safety and Motor Vehicles, and Department of Financial Services.

TOBACCO SETTLEMENT

This fund includes internal reporting special revenue funds established to account for the settlement of *State of Florida, et al., v. American Tobacco Company, et al.*, Case No. 95-1466 AH, filed in the Fifteenth Judicial Circuit, in and for Palm Beach County Florida.

PUBLIC SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Department of Law Enforcement, Department of Highway Safety and Motor Vehicles, Department of Legal Affairs, and Department of Military Affairs.

CORRECTIONS

This fund includes internal reporting special revenue funds administered by the Department of Corrections.

CONSUMER PROTECTION AND SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor, Department of Legal Affairs, Department of Revenue, and Department of Financial Services.

AGRICULTURE

This fund includes internal reporting special revenue funds administered by the Department of Agriculture and Consumer Services.

JUVENILE JUSTICE

This fund includes internal reporting special revenue funds administered by the Department of Juvenile Justice.

JUDICIAL SERVICES

This fund includes internal reporting special revenue funds primarily administered by the Justice Administrative Commission and the State Courts System.

MILITARY AND VETERANS' AFFAIRS

This fund includes internal reporting special revenue funds administered by the Department of Military Affairs and Department of Veterans' Affairs.

BLENDED COMPONENT UNITS

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
Pursuant to Section 28.35, Florida Statutes, this entity was created to recommend legislative changes in various court related fines, fees, service charges, and court costs, establish a process for reviewing and certification of proposed court-related budgets submitted by the clerks of court and establishing a system of uniform performance measures and standards for the clerks.

FLORIDA CITRUS COMMISSION

As authorized in Section 601.04, Florida Statutes, this entity was established to primarily promote the general welfare of the Florida citrus industry.

STATE BOARD OF ADMINISTRATION

This entity includes the following internal reporting special revenue funds administered by the State Board of Administration: Gas Tax Clearing Accounts and the Insurance Capital Build-up Program.

FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

As authorized in Section 1002.36, Florida Statutes, this entity is a State-supported residential school for hearing-impaired and visually impaired students in preschool through 12th grade.

WIRELESS EMERGENCY TELEPHONE SYSTEM

As authorized in Section 365.172, Florida Statutes, this entity was established to promote a comprehensive statewide emergency telephone number system that will provide wireless telephone users with rapid direct access to public safety agencies.

CAREERSOURCE FLORIDA, INC.

This not-for-profit entity was created pursuant to Section 445.004, Florida Statutes, as the principal workforce policy organization for the State and the regional workforce boards.

FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION

Pursuant to Section 403.1837, Florida Statutes, this entity was created to finance the costs of water pollution control projects and activities described in Sections 403.1835 and 403.8532, Florida Statutes.

INLAND PROTECTION FINANCING CORPORATION

Pursuant to Section 376.3075, Florida Statutes, this entity was created to finance the rehabilitation of petroleum contamination sites pursuant to Sections 376.30-376.317, Florida Statutes, and the payment, purchase and settlement of reimbursement obligations of the Department of Environmental Protection pursuant to Section 376.3071(12), Florida Statutes.

FLORIDA SURPLUS LINES SERVICE OFFICE

Pursuant to Section 626.921, Florida Statutes, this entity was created to establish a system that would permit better access by consumers to approved unauthorized insurers.

CORRECTIONS FOUNDATION, INC.

This entity was organized to initiate developmental projects; raise funds; request and receive grants, gifts, and bequests; acquire, receive, hold, invest and administer securities, funds, or other property as authorized by Section 944.802, Florida Statutes.

SCRIPPS FLORIDA FUNDING CORPORATION

Pursuant to Section 288.955, Florida Statutes, this entity was created to facilitate the establishment and operation of a biomedical research institution for the purposes of enhancing education and research and promoting economic development and diversity.

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 509	\$ —	\$ 100	\$ 369
Pooled investments with State Treasury	289,598	101,851	981,091	537,883
Other investments	7,475	—	—	—
Receivables, net	60,852	174,254	378,428	68,529
Due from other funds	10,879	1,347	5,565	8,230
Due from component units/primary	—	15	—	—
Lease receivables	—	—	—	—
Inventories	—	—	—	98,798
Other	—	—	—	29
Total current assets	369,313	277,467	1,365,184	713,838
<u>Noncurrent assets</u>				
Long-term investments	—	—	4	—
Other loans and notes receivable, net	3,392	1,188,658	—	18
Total noncurrent assets	3,392	1,188,658	4	18
Total assets	372,705	1,466,125	1,365,188	713,856
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	13,720	4,068	330,210	5,803
Due to other funds	2,923	1,095	55,684	181,466
Due to component units/primary	43	—	10	—
Compensated absences	182	60	21	363
Claims payable	2,945	—	—	—
Deposits	—	—	—	—
Obligations under security lending agreements	16,809	4,969	19,742	15,120
Total current liabilities	36,622	10,192	405,667	202,752
<u>Noncurrent liabilities</u>				
Advances from other funds	—	58	—	300
Deposits	—	—	—	—
Total noncurrent liabilities	—	58	—	300
Total liabilities	36,622	10,250	405,667	203,052
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	646	—	163	167,014
Unavailable revenue	—	1,359,115	227,023	378
Lease related	—	—	—	—
Total deferred inflows of resources	646	1,359,115	227,186	167,392
FUND BALANCES				
Nonspendable	—	—	—	98,826
Restricted	80,932	6,421	685,875	6,399
Committed	254,505	90,339	46,460	238,187
Total fund balances	335,437	96,760	732,335	343,412
Total liabilities, deferred inflows and fund balances	\$ 372,705	\$ 1,466,125	\$ 1,365,188	\$ 713,856

Tobacco Settlement		Public Safety		Corrections		Consumer Protection and Safety		Agriculture		Juvenile Justice	
\$	—	\$	103	\$	—	\$	23	\$	123	\$	11
	54,071		935,227		26,616		1,011,249		65,742		83,418
	—		—		—		—		—		—
	71		9,253		541		38,417		106,924		2,942
	—		6,554		2,306		1,250		2,574		5,473
	—		—		—		—		—		—
	—		—		—		—		—		—
	—		—		—		—		1,883		—
	—		5		—		—		—		—
	54,142		951,142		29,463		1,050,939		177,246		91,844
	—		—		—		—		—		—
	—		—		—		—		—		—
	54,142		951,142		29,463		1,050,939		177,246		91,844
	22,283		8,083		2,382		36,399		107,537		12,149
	166		7,315		252		5,743		1,580		481
	6,099		—		—		—		—		—
	—		10		2		33		161		—
	3,030		—		—		—		—		—
	—		95		—		35		23		—
	1,110		53,410		565		518		3,514		—
	32,688		68,913		3,201		42,728		112,815		12,630
	—		625		—		—		—		—
	—		—		—		67		—		—
	—		625		—		67		—		—
	32,688		69,538		3,201		42,795		112,815		12,630
	—		587		—		—		—		—
	—		1,669		—		281		—		—
	—		—		—		—		—		—
	—		2,256		—		281		—		—
	—		5		—		—		1,883		—
	12,009		7,609		14,261		44,444		702		37,314
	9,445		871,734		12,001		963,419		61,846		41,900
	21,454		879,348		26,262		1,007,863		64,431		79,214
\$	54,142	\$	951,142	\$	29,463	\$	1,050,939	\$	177,246	\$	91,844

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Courts Operations Corp	Florida Citrus Commission
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 8	\$ 1,551	\$ 2,033	\$ —
Pooled investments with State Treasury	191,641	47,156	—	9,666
Other investments	—	—	—	—
Receivables, net	4,002	6,414	—	2,221
Due from other funds	11,983	229	—	—
Due from component units/primary	—	—	—	—
Lease receivable	—	—	—	6
Inventories	—	—	—	376
Other	—	38	1	—
Total current assets	207,634	55,388	2,034	12,269
<u>Noncurrent assets</u>				
Long-term investments	—	—	—	—
Other loans and notes receivable, net	—	—	—	—
Total noncurrent assets	—	—	—	—
Total assets	207,634	55,388	2,034	12,269
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	2,973	2,879	22	1,653
Due to other funds	8,691	257	—	120
Due to component units/primary	—	—	—	106
Compensated absences	75	27	—	17
Claims payable	—	—	—	—
Deposits	—	—	—	—
Obligations under security lending agreements	—	2,177	—	587
Total current liabilities	11,739	5,340	22	2,483
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	—	—
Deposits	—	—	—	—
Total noncurrent liabilities	—	—	—	—
Total liabilities	11,739	5,340	22	2,483
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	—	—	—	—
Unavailable revenue	—	—	—	—
Lease related	—	—	—	6
Total deferred inflows of resources	—	—	—	6
FUND BALANCES				
Nonspendable	—	—	—	376
Restricted	53,572	2,273	582	9,370
Committed	142,323	47,775	1,430	34
Total fund balances	195,895	50,048	2,012	9,780
Total liabilities, deferred inflows and fund balances	\$ 207,634	\$ 55,388	\$ 2,034	\$ 12,269

Blended Component Units						
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	CareerSource Florida, Inc.	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp	
\$ 115	\$ 98	\$ —	\$ 6,324	\$ —	\$ —	
—	1,471	105,544	—	3,639	50,000	
2,249	28,006	—	—	266,932	2	
2,603	243	8,350	3,741	68,162	—	
21,611	147	1,752	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	96	—	—	
26,578	29,965	115,646	10,161	338,733	50,002	
—	—	—	—	—	—	
12,265	—	—	—	608,104	—	
12,265	—	—	—	608,104	—	
38,843	29,965	115,646	10,161	946,837	50,002	
21,610	300	30,805	2,528	—	—	
962	—	3	—	52	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	6,380	—	—	
—	—	6,589	—	229	—	
22,572	300	37,397	8,908	281	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
22,572	300	37,397	8,908	281	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	96	—	—	
—	14,702	—	—	946,556	—	
16,271	14,963	78,249	1,157	—	50,002	
16,271	29,665	78,249	1,253	946,556	50,002	
\$ 38,843	\$ 29,965	\$ 115,646	\$ 10,161	\$ 946,837	\$ 50,002	

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022
(in thousands)

	Blended Component Units			
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Totals 6/30/22
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 2,959	\$ 2,101	\$ —	\$ 16,427
Pooled investments with State Treasury	—	—	—	4,495,863
Other investments	6,938	—	—	311,602
Receivables, net	2	—	—	935,949
Due from other funds	—	—	—	79,900
Due from component units/primary	—	—	—	15
Lease receivables	—	—	—	6
Inventories	—	5	—	101,062
Other	8	—	—	177
Total current assets	9,907	2,106	—	5,941,001
<u>Noncurrent assets</u>				
Long-term investments	37,609	797	—	38,410
Other loans and notes receivable, net	—	—	—	1,812,437
Total noncurrent assets	37,609	797	—	1,850,847
Total assets	47,516	2,903	—	7,791,848
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	568	9	—	605,981
Due to other funds	—	—	—	266,790
Due to component units/primary	—	—	—	6,258
Compensated absences	—	—	—	951
Claims payable	—	—	—	5,975
Deposits	—	—	—	6,533
Obligations under security lending agreements	—	—	—	125,339
Total current liabilities	568	9	—	1,017,827
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	—	983
Deposits	—	—	—	67
Total noncurrent liabilities	—	—	—	1,050
Total liabilities	568	9	—	1,018,877
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	—	130	—	168,540
Unavailable revenue	—	—	—	1,588,466
Lease related	—	—	—	6
Total deferred inflows of resources	—	130	—	1,757,012
FUND BALANCES				
Nonspendable	—	5	—	101,191
Restricted	—	52	—	1,923,073
Committed	46,948	2,707	—	2,991,695
Total fund balances	46,948	2,764	—	5,015,959
Total liabilities, deferred inflows and fund balances	\$ 47,516	\$ 2,903	\$ —	\$ 7,791,848

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 328,886
Licenses and permits	—	—	—	1,903,743
Fees and charges	66,399	46,777	2,559	140,656
Grants and donations	528,547	24,154	2,588,604	60
Investment earnings (losses)	(7,344)	(2,452)	(4,679)	(7,984)
Fines, forfeits, settlements and judgments	17,793	15	—	15,425
Other	25,339	878	42,143	2,148
Total revenues	630,734	69,372	2,628,627	2,382,934
EXPENDITURES				
Current:				
General government	429,711	118,761	2,173,801	265,515
Education	209,001	—	—	—
Human services	—	—	—	—
Criminal justice and corrections	—	—	—	—
Natural resources and environment	—	—	75	7
Judicial branch	—	—	—	—
Capital outlay	25,299	15,109	17,019	30,990
Debt service:				
Principal retirement	—	256	—	319
Interest and fiscal charges	280	272	113	467
Total expenditures	664,291	134,398	2,191,008	297,298
Excess (deficiency) of revenues over expenditures	(33,557)	(65,026)	437,619	2,085,636
OTHER FINANCING SOURCES (USES)				
Operating transfers in	80,287	79,464	837,287	78,500
Operating transfers out	(87,948)	(10,756)	(684,774)	(2,135,172)
Lease liabilities issued	22,613	11,378	12,413	22,026
Proceeds of financing agreements	—	—	—	1,032
Total other financing sources (uses)	14,952	80,086	164,926	(2,033,614)
Net change in fund balances	(18,605)	15,060	602,545	52,022
Fund balances - beginning, as restated (Note 2)	354,042	81,700	129,790	291,390
Fund balances - ending	\$ 335,437	\$ 96,760	\$ 732,335	\$ 343,412

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1
—	—	—	—	27,954	—
—	116,823	14,174	3,186	60,636	47,071
—	32,359	211	133,123	1,838,507	3,184
(414)	(41,057)	(240)	(224)	(1,688)	—
411,833	30,130	2	14,952	2,973	1,207
—	1,562	1,099	16,778	3,066	64
411,419	139,817	15,246	167,815	1,931,448	51,527
50	29,531	—	305,875	—	—
—	—	—	—	—	—
397,979	—	—	—	—	—
—	152,015	25,903	139,533	—	103,108
—	497	—	—	1,979,882	—
—	—	—	—	—	—
1	10,228	1,049	15,267	5,718	373,134
—	—	—	—	—	—
—	71	—	155	—	57
398,030	192,342	26,952	460,830	1,985,600	476,299
13,389	(52,525)	(11,706)	(293,015)	(54,152)	(424,772)
272	861,769	21,270	1,111,433	61,301	79,089
(5,913)	(23,144)	(7,517)	(164,667)	(17,456)	(2,533)
—	5,461	—	12,330	—	369,785
—	—	—	—	—	—
(5,641)	844,086	13,753	959,096	43,845	446,341
7,748	791,561	2,047	666,081	(10,307)	21,569
13,706	87,787	24,215	341,782	74,738	57,645
\$ 21,454	\$ 879,348	\$ 26,262	\$ 1,007,863	\$ 64,431	\$ 79,214

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Florida Citrus Commission
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 6,765
Licenses and permits	578	—	—	—
Fees and charges	96,328	28,558	—	12
Grants and donations	14,234	96,506	1,895	3,547
Investment earnings (losses)	—	(995)	1	(259)
Fines, forfeits, settlements and judgments	54,798	—	—	—
Other	14,695	1,051	—	2
Total revenues	180,633	125,120	1,896	10,067
EXPENDITURES				
Current:				
General government	1,700	41,210	1,400	9,769
Education	—	—	—	—
Human services	—	81,621	—	—
Criminal justice and corrections	86,052	—	—	—
Natural resources and environment	—	—	—	—
Judicial branch	105,623	—	—	—
Capital outlay	1,814	18,638	—	38
Debt service:				
Principal retirement	—	—	—	—
Interest and fiscal charges	12	9	—	—
Total expenditures	195,201	141,478	1,400	9,807
Excess (deficiency) of revenues over expenditures	(14,568)	(16,358)	496	260
OTHER FINANCING SOURCES (USES)				
Operating transfers in	52,397	14,938	—	—
Operating transfers out	(10,859)	(5,842)	—	(283)
Lease liabilities issued	895	181	—	23
Proceeds of financing agreements	—	—	—	—
Total other financing sources (uses)	42,433	9,277	—	(260)
Net change in fund balances	27,865	(7,081)	496	—
Fund balances - beginning, as restated (Note 2)	168,030	57,129	1,516	9,780
Fund balances - ending	\$ 195,895	\$ 50,048	\$ 2,012	\$ 9,780

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	CareerSource Florida, Inc.	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	126	129,209	—	—	—
—	2,254	—	13,512	—	—
384	692	(2,928)	—	7,497	—
—	—	—	—	—	—
—	16	—	25	—	—
384	3,088	126,281	13,537	7,497	—
236,777	—	132,955	13,535	4	—
—	8,149	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	71	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
236,777	8,220	132,955	13,535	4	—
(236,393)	(5,132)	(6,674)	2	7,493	—
—	—	—	—	—	—
229,740	1,931	1,526	—	—	50,000
(6,952)	(37)	(880)	—	(29,652)	—
—	—	—	—	—	—
—	—	—	—	—	—
222,788	1,894	646	—	(29,652)	50,000
(13,605)	(3,238)	(6,028)	2	(22,159)	50,000
29,876	32,903	84,277	1,251	968,715	2
\$ 16,271	\$ 29,665	\$ 78,249	\$ 1,253	\$ 946,556	\$ 50,002

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Blended Component Units			
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Totals 6/30/22
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 335,652
Licenses and permits	—	—	—	1,932,275
Fees and charges	7,746	8	—	760,268
Grants and donations	—	1,235	—	5,281,932
Investment earnings (losses)	3,143	11	—	(58,536)
Fines, forfeits, settlements and judgments	—	—	—	549,128
Other	84	—	—	108,950
Total revenues	10,973	1,254	—	8,909,669
EXPENDITURES				
Current:				
General government	6,138	—	5	3,766,737
Education	—	—	—	217,150
Human services	—	—	—	479,600
Criminal justice and corrections	—	767	—	507,378
Natural resources and environment	—	—	—	1,980,461
Judicial branch	—	—	—	105,623
Capital outlay	2,381	—	—	516,756
Debt service:				
Principal retirement	—	—	—	575
Interest and fiscal charges	—	—	—	1,436
Total expenditures	8,519	767	5	7,575,716
Excess (deficiency) of revenues over expenditures	2,454	487	(5)	1,333,953
OTHER FINANCING SOURCES (USES)				
Operating transfers in	—	—	—	3,561,204
Operating transfers out	—	—	—	(3,194,385)
Lease liabilities issued	—	—	—	457,105
Proceeds of financing agreements	—	—	—	1,032
Total other financing sources (uses)	—	—	—	824,956
Net change in fund balances	2,454	487	(5)	2,158,909
Fund balances - beginning, as restated (Note 2)	44,494	2,277	5	2,857,050
Fund balances - ending	\$ 46,948	\$ 2,764	\$ —	\$ 5,015,959

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Employment Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 160,192	\$ 160,192	\$ —
Reversions	55,350	55,350	—
Fund Balances, July 1, 2021, restated	215,542	215,542	—
REVENUES			
Fees and charges	65,601	67,011	1,410
Miscellaneous	4,294	4,294	—
Interest	1,838	1,714	(124)
Grants	573,028	516,027	(57,001)
Refunds	20,979	24,884	3,905
Transfers and distributions	55,028	78,964	23,936
Other	17,740	19,718	1,978
Total Revenues	738,508	712,612	(25,896)
Total Available Resources	954,050	928,154	(25,896)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	136,497	124,251	12,246
Other personal services	11,369	10,168	1,201
Expenses	38,498	34,124	4,374
Grants and aids	4,101	3,931	170
Operating capital outlay	815	613	202
Food products	200	83	117
Special categories	519,632	515,555	4,077
Data processing services	5,242	4,995	247
Total Operating Expenditures	716,354	693,720	22,634
Nonoperating expenditures:			
Transfers	55,639	55,639	—
Refunds	264	264	—
Other	47,935	47,935	—
Total Nonoperating Expenditures	103,838	103,838	—
Total Expenditures	820,192	797,558	22,634
Fund Balances, June 30, 2022	\$ 133,858	\$ 130,596	\$ (3,262)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Government Administration		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 73,374	\$ 73,374	\$ —
Reversions	3,688	3,688	—
Fund Balances, July 1, 2021, restated	77,062	77,062	—
REVENUES			
Fees and charges	31,310	43,971	12,661
Interest	33	441	408
Grants	14,473	25,821	11,348
Refunds	—	802	802
Transfers and distributions	701,631	701,631	—
Other	—	74	74
Total Revenues	747,447	772,740	25,293
Total Available Resources	824,509	849,802	25,293
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	36,549	32,694	3,855
Other personal services	1,896	1,010	886
Expenses	6,617	6,035	582
Grants and aids	11,884	11,871	13
Operating capital outlay	3,438	3,350	88
Fixed capital outlay	75	75	—
Special categories	73,641	73,641	—
Grants/aids to local governments	2,221	2,221	—
Data processing services	287	227	60
Total Operating Expenditures	136,608	131,124	5,484
Nonoperating expenditures:			
Payments to U.S. Treasury	336	336	—
Transfers	508,407	508,407	—
Refunds	3,885	3,885	—
Other	123,570	123,570	—
Total Nonoperating Expenditures	636,198	636,198	—
Total Expenditures	772,806	767,322	5,484
Fund Balances, June 30, 2022	\$ 51,703	\$ 82,480	\$ 30,777

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Business and Community Development		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 424,581	\$ 424,581	\$ —
Reversions	23,506	23,506	—
Fund Balances, July 1, 2021, restated	448,087	448,087	—
REVENUES			
Fees and charges	2,417	2,974	557
Interest	546,835	3,774	(543,061)
Grants	3,631,848	2,221,024	(1,410,824)
Refunds	39,785	38,782	(1,003)
Employee/employer contributions	10	10	—
Transfers and distributions	1,013,475	837,623	(175,852)
Other	103,255	3,109	(100,146)
Total Revenues	5,337,625	3,107,296	(2,230,329)
Total Available Resources	5,785,712	3,555,383	(2,230,329)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	21,268	20,379	889
Other personal services	11,479	10,392	1,087
Expenses	6,752	6,558	194
Grants and aids	10,478	6,595	3,883
Operating capital outlay	141	82	59
Special categories	4,554,279	2,485,716	2,068,563
Continuing appropriations	38,533	38,533	—
Grants/aids to local governments	6,793	6,793	—
Data processing services	52	52	—
Total Operating Expenditures	4,649,775	2,575,100	2,074,675
Nonoperating expenditures:			
Transfers	96,215	96,215	—
Refunds	5,760	5,760	—
Other	572	572	—
Total Nonoperating Expenditures	102,547	102,547	—
Total Expenditures	4,752,322	2,677,647	2,074,675
Fund Balances, June 30, 2022	\$ 1,033,390	\$ 877,736	\$ (155,654)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Regulation and Licensing		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 445,720	\$ 445,720	\$ —
Reversions	3,347	3,347	—
Fund Balances, July 1, 2021, restated	449,067	449,067	—
REVENUES			
Fees and charges	154,741	179,354	24,613
Licenses	1,783,212	1,918,356	135,144
Taxes	231,335	329,216	97,881
Miscellaneous	1,770	6,025	4,255
Interest	305	1,305	1,000
Grants	8	59	51
Refunds	290	816	526
Transfers and distributions	23,907	45,405	21,498
Other	2,030	16,496	14,466
Total Revenues	2,197,598	2,497,032	299,434
Total Available Resources	2,646,665	2,946,099	299,434
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	152,829	129,703	23,126
Other personal services	3,758	2,232	1,526
Expenses	23,304	21,091	2,213
Grants and aids	4,155	4,146	9
Operating capital outlay	951	784	167
Fixed capital outlay	326	326	—
Special categories	66,102	57,342	8,760
Grants/aids to local governments	3,426	3,426	—
Data processing services	3,456	2,979	477
Total Operating Expenditures	258,307	222,029	36,278
Nonoperating expenditures:			
Transfers	2,108,803	2,108,803	—
Refunds	3,932	3,932	—
Other	100,878	100,878	—
Total Nonoperating Expenditures	2,213,613	2,213,613	—
Total Expenditures	2,471,920	2,435,642	36,278
Fund Balances, June 30, 2022	\$ 174,745	\$ 510,457	\$ 335,712

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 12,959	\$ 12,959	\$ —
Reversions	4,966	4,966	—
Fund Balances, July 1, 2021, restated	17,925	17,925	—
REVENUES			
Interest	—	189	189
Refunds	73	70	(3)
Transfers and distributions	792,265	792,265	—
Other	413,500	411,833	(1,667)
Total Revenues	1,205,838	1,204,357	(1,481)
Total Available Resources	1,223,763	1,222,282	(1,481)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	357	309	48
Special categories	408,135	408,135	—
Total Operating Expenditures	408,492	408,444	48
Nonoperating expenditures:			
Transfers	791,998	791,998	—
Total Nonoperating Expenditures	791,998	791,998	—
Total Expenditures	1,200,490	1,200,442	48
Fund Balances, June 30, 2022	\$ 23,273	\$ 21,840	\$ (1,433)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 68,725	\$ 68,725	\$ —
Reversions	2,877	2,877	—
Fund Balances, July 1, 2021, restated	71,602	71,602	—
REVENUES			
Fees and charges	110,579	119,012	8,433
Miscellaneous	90	—	(90)
Interest	2,477	1,357	(1,120)
Grants	42,345	31,687	(10,658)
Refunds	2,126	2,154	28
Transfers and distributions	832,538	856,360	23,822
Other	31,782	33,657	1,875
Total Revenues	1,021,937	1,044,227	22,290
Total Available Resources	1,093,539	1,115,829	22,290
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	73,093	60,461	12,632
Other personal services	3,140	1,481	1,659
Expenses	27,309	23,034	4,275
Grants and aids	19,046	10,254	8,792
Operating capital outlay	5,049	2,902	2,147
Special categories	121,985	78,903	43,082
Data processing services	2	2	—
Total Operating Expenditures	249,624	177,037	72,587
Nonoperating expenditures:			
Transfers	1,326	1,326	—
Refunds	257	257	—
Other	29,651	29,651	—
Total Nonoperating Expenditures	31,234	31,234	—
Total Expenditures	280,858	208,271	72,587
Fund Balances, June 30, 2022	\$ 812,681	\$ 907,558	\$ 94,877

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 21,234	\$ 21,234	\$ —
Reversions	948	948	—
Fund Balances, July 1, 2021, restated	22,182	22,182	—
REVENUES			
Fees and charges	14,665	14,593	(72)
Interest	—	57	57
Grants	201	201	—
Refunds	963	968	5
Transfers and distributions	17,969	17,930	(39)
Other	3,608	3,610	2
Total Revenues	37,406	37,359	(47)
Total Available Resources	59,588	59,541	(47)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	5,813	4,203	1,610
Other personal services	821	602	219
Expenses	9,174	8,588	586
Operating capital outlay	475	347	128
Special categories	20,174	11,275	8,899
Data processing services	156	100	56
Total Operating Expenditures	36,613	25,115	11,498
Nonoperating expenditures:			
Transfers	11,231	11,231	—
Refunds	264	264	—
Other	1,225	1,225	—
Total Nonoperating Expenditures	12,720	12,720	—
Total Expenditures	49,333	37,835	11,498
Fund Balances, June 30, 2022	\$ 10,255	\$ 21,706	\$ 11,451

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 131,494	\$ 131,494	\$ —
Reversions	1,230,914	1,230,914	—
Fund Balances, July 1, 2021, restated	1,362,408	1,362,408	—
REVENUES			
Fees and charges	3,777	3,175	(602)
Interest	86	54	(32)
Grants	172,800	127,285	(45,515)
Refunds	22,691	15,304	(7,387)
Transfers and distributions	337,617	—	(337,617)
Other	20,335	16,359	(3,976)
Total Revenues	557,306	162,177	(395,129)
Total Available Resources	1,919,714	1,524,585	(395,129)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	33,367	27,459	5,908
Other personal services	880	446	434
Expenses	4,443	2,886	1,557
Operating capital outlay	377	67	310
Special categories	406,626	301,572	105,054
Data processing services	36	—	36
Total Operating Expenditures	445,729	332,430	113,299
Nonoperating expenditures:			
Transfers	309,016	309,016	—
Refunds	1,918	1,918	—
Other	3,922	3,922	—
Total Nonoperating Expenditures	314,856	314,856	—
Total Expenditures	760,585	647,286	113,299
Fund Balances, June 30, 2022	\$ 1,159,129	\$ 877,299	\$ (281,830)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Agriculture		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 2,686	\$ 2,686	\$ —
Reversions	27,087	27,087	—
Fund Balances, July 1, 2021, restated	29,773	29,773	—
REVENUES			
Fees and charges	55,717	55,717	—
Licenses	27,357	27,357	—
Miscellaneous	—	1	1
Interest	6	394	388
Grants	1,770,146	1,770,146	—
Refunds	1,981	2,310	329
Transfers and distributions	201,888	201,888	—
Other	2,602	3,197	595
Total Revenues	2,059,697	2,061,010	1,313
Total Available Resources	2,089,470	2,090,783	1,313
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	99,219	79,565	19,654
Other personal services	6,491	4,632	1,859
Expenses	28,664	25,176	3,488
Grants and aids	1,796,969	1,796,969	—
Operating capital outlay	1,787	1,787	—
Fixed capital outlay	2,341	2,341	—
Special categories	75,288	75,288	—
Grants/aids to local governments	1,763	1,763	—
Claim bills and relief acts	3,175	3,175	—
Total Operating Expenditures	2,015,697	1,990,696	25,001
Nonoperating expenditures:			
Payments to U.S. Treasury	4,044	4,044	—
Transfers	30,618	30,618	—
Refunds	948	948	—
Other	10,516	10,516	—
Total Nonoperating Expenditures	46,126	46,126	—
Total Expenditures	2,061,823	2,036,822	25,001
Fund Balances, June 30, 2022	\$ 27,647	\$ 53,961	\$ 26,314

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 56,723	\$ 56,723	\$ —
Reversions	6,926	6,926	—
Fund Balances, July 1, 2021, restated	63,649	63,649	—
REVENUES			
Fees and charges	47,441	47,443	2
Grants	2,368	3,127	759
Refunds	—	62	62
Transfers and distributions	74,590	74,712	122
Other	1,200	1,209	9
Total Revenues	125,599	126,553	954
Total Available Resources	189,248	190,202	954
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	42,735	31,288	11,447
Other personal services	2,143	849	1,294
Expenses	10,636	9,197	1,439
Grants and aids	1,263	982	281
Operating capital outlay	205	205	—
Food products	1,700	803	897
Fixed capital outlay	1,050	1,050	—
Special categories	86,830	74,026	12,804
Total Operating Expenditures	146,562	118,400	28,162
Nonoperating expenditures:			
Refunds	4	4	—
Other	1,971	1,971	—
Total Nonoperating Expenditures	1,975	1,975	—
Total Expenditures	148,537	120,375	28,162
Fund Balances, June 30, 2022	\$ 40,711	\$ 69,827	\$ 29,116

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 159,719	\$ 159,719	\$ —
Reversions	3,156	3,156	—
Fund Balances, July 1, 2021, restated	162,875	162,875	—
REVENUES			
Fees and charges	99,846	90,426	(9,420)
Licenses	580	578	(2)
Grants	16,178	14,860	(1,318)
Refunds	14,827	13,523	(1,304)
Transfers and distributions	62,660	53,083	(9,577)
Other	60,634	55,103	(5,531)
Total Revenues	254,725	227,573	(27,152)
Total Available Resources	417,600	390,448	(27,152)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	230,201	161,581	68,620
Other personal services	16,731	6,129	10,602
Expenses	5,996	4,272	1,724
Operating capital outlay	99	30	69
Special categories	45,261	25,364	19,897
Data processing services	599	387	212
Total Operating Expenditures	298,887	197,763	101,124
Nonoperating expenditures:			
Transfers	1,945	1,945	—
Refunds	112	112	—
Other	10,336	10,336	—
Total Nonoperating Expenditures	12,393	12,393	—
Total Expenditures	311,280	210,156	101,124
Fund Balances, June 30, 2022	\$ 106,320	\$ 180,292	\$ 73,972

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 48,283	\$ 48,283	\$ —
Reversions	2,398	2,398	—
Fund Balances, July 1, 2021, restated	50,681	50,681	—
REVENUES			
Fees and charges	28,054	27,372	(682)
Miscellaneous	1	1	—
Interest	299	221	(78)
Grants	96,150	94,872	(1,278)
Refunds	1,036	350	(686)
Transfers and distributions	21,788	22,892	1,104
Other	28	23	(5)
Total Revenues	147,356	145,731	(1,625)
Total Available Resources	198,037	196,412	(1,625)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	97,495	67,654	29,841
Other personal services	4,992	1,957	3,035
Expenses	24,265	17,907	6,358
Operating capital outlay	1,692	1,037	655
Food products	4,832	3,846	986
Fixed capital outlay	20,711	20,711	—
Special categories	25,574	25,574	—
Total Operating Expenditures	179,561	138,686	40,875
Nonoperating expenditures:			
Transfers	12,197	12,197	—
Refunds	656	656	—
Other	3,807	3,807	—
Total Nonoperating Expenditures	16,660	16,660	—
Total Expenditures	196,221	155,346	40,875
Fund Balances, June 30, 2022	\$ 1,816	\$ 41,066	\$ 39,250

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Florida Citrus Commission		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 9,800	\$ 9,800	\$ —
Reversions	593	593	—
Fund Balances, July 1, 2021, restated	10,393	10,393	—
REVENUES			
Taxes	6,554	6,765	211
Miscellaneous	18	6	(12)
Interest	128	—	(128)
Grants	3,643	2,934	(709)
Refunds	—	2	2
Other	—	13	13
Total Revenues	10,343	9,720	(623)
Total Available Resources	20,736	20,113	(623)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	4,041	2,379	1,662
Other personal services	190	78	112
Expenses	1,156	525	631
Operating capital outlay	671	8	663
Special categories	9,100	9,100	—
Total Operating Expenditures	15,158	12,090	3,068
Nonoperating expenditures:			
Other	314	314	—
Total Nonoperating Expenditures	314	314	—
Total Expenditures	15,472	12,404	3,068
Fund Balances, June 30, 2022	\$ 5,264	\$ 7,709	\$ 2,445

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 1,674	\$ 1,674	\$ —
REVENUES			
Grants	1,337	1,441	104
Refunds	—	16	16
Transfers and distributions	2,172	2,256	84
Total Revenues	3,509	3,713	204
Total Available Resources	5,183	5,387	204
EXPENDITURES			
Operating expenditures:			
Special categories	3,578	3,578	—
Total Operating Expenditures	3,578	3,578	—
Nonoperating expenditures:			
Transfers	338	338	—
Total Nonoperating Expenditures	338	338	—
Total Expenditures	3,916	3,916	—
Fund Balances, June 30, 2022	\$ 1,267	\$ 1,471	\$ 204

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Wireless Emergency Telephone System		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ 72,809	\$ 72,809	\$ —
Reversions	1,176	1,176	—
Fund Balances, July 1, 2021, restated	73,985	73,985	—
REVENUES			
Interest	170	681	511
Transfers and distributions	—	1,526	1,526
Other	133,092	133,092	—
Total Revenues	133,262	135,299	2,037
Total Available Resources	207,247	209,284	2,037
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	418	378	40
Other personal services	273	119	154
Expenses	209	155	54
Grants and aids	155,273	126,666	28,607
Special categories	4,218	4,218	—
Data processing services	3	3	—
Total Operating Expenditures	160,394	131,539	28,855
Nonoperating expenditures:			
Transfers	879	879	—
Total Nonoperating Expenditures	879	879	—
Total Expenditures	161,273	132,418	28,855
Fund Balances, June 30, 2022	\$ 45,974	\$ 76,866	\$ 30,892

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Inland Protection Financing Corporation		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2021	\$ —	\$ —	\$ —
REVENUES			
Transfers and distributions	50,000	50,000	—
Total Revenues	50,000	50,000	—
Total Available Resources	50,000	50,000	—
 Fund Balances, June 30, 2022	 \$ 50,000	 \$ 50,000	 \$ —

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CAPITAL PROJECTS FUNDS

GENERAL GOVERNMENT

This fund includes various internal reporting capital projects funds administered by various agencies to account for resources used for the acquisition or construction of major capital facilities other than those financed by other funds.

TRANSPORTATION CAPITAL PROJECTS FUND

This capital projects fund is administered by the Department of Transportation to account for resources used for eligible project costs.

OTHER

This fund includes various internal reporting capital projects funds administered by other agencies.

FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

This capital projects fund is administered by the School for the Deaf and the Blind.

**COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

	General Government	Transportation Capital Projects Fund	Other	School for the Deaf and the Blind	Totals 6/30/22
ASSETS					
<u>Current assets</u>					
Pooled investments with State Treasury	\$ 207	\$ 95,533	\$ 6,404	\$ 1,217	\$ 103,361
Receivables, net	—	84	—	—	84
Due from other funds	109,377	—	—	—	109,377
Total current assets	109,584	95,617	6,404	1,217	212,822
Total assets	109,584	95,617	6,404	1,217	212,822
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	1,177	—	(3)	94	1,268
Due to other funds	—	7,914	—	—	7,914
Obligations under security lending agreements	—	6,015	—	—	6,015
Total current liabilities	1,177	13,929	(3)	94	15,197
Total liabilities	1,177	13,929	(3)	94	15,197
FUND BALANCES					
Restricted	—	81,688	—	711	82,399
Committed	108,407	—	6,407	412	115,226
Total fund balances	108,407	81,688	6,407	1,123	197,625
Total liabilities and fund balances	\$ 109,584	\$ 95,617	\$ 6,404	\$ 1,217	\$ 212,822

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	General Government	Transportation Capital Projects Fund	Other	School for the Deaf and the Blind	Totals 6/30/22
REVENUES					
Investment earnings (losses)	\$ —	\$ —	\$ 1,309	\$ —	\$ 1,309
Other	—	(776)	—	—	(776)
Total revenues	—	(776)	1,309	—	533
EXPENDITURES					
Current:					
General government	41,668	—	—	—	41,668
Education	—	—	—	2,389	2,389
Human services	807	—	3,343	—	4,150
Criminal justice and corrections	59,867	—	—	—	59,867
Transportation	—	173	—	—	173
Capital outlay	33,584	—	—	151	33,735
Total expenditures	135,926	173	3,343	2,540	141,982
Excess (deficiency) of revenues over expenditures	(135,926)	(949)	(2,034)	(2,540)	(141,449)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	189,914	—	9,071	2,748	201,733
Operating transfers out	(227)	(96,839)	(953)	—	(98,019)
Total other financing sources (uses)	189,687	(96,839)	8,118	2,748	103,714
Net change in fund balances	53,761	(97,788)	6,084	208	(37,735)
Fund balances - beginning, as restated (Note 2)	54,646	179,476	323	915	235,360
Fund balances - ending	\$ 108,407	\$ 81,688	\$ 6,407	\$ 1,123	\$ 197,625

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DEBT SERVICE FUNDS

DEBT SERVICE FUND

This fund, administered by the State Board of Administration, a blended component unit, is used to account for resources earmarked to pay principal, interest, and service charges on general long-term debt of the State.

COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Debt Service Fund	Totals 6/30/22
ASSETS		
<u>Current assets</u>		
Other investments	\$ 15,899	\$ 15,899
Receivables, net	186	186
Total current assets	16,085	16,085
Total assets	16,085	16,085
LIABILITIES		
<u>Current liabilities</u>		
Due to other funds	22	22
Total current liabilities	22	22
Total liabilities	22	22
FUND BALANCES		
Restricted	16,063	16,063
Total fund balances	16,063	16,063
Total liabilities and fund balances	\$ 16,085	\$ 16,085

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Debt Service Fund	Totals 6/30/22
REVENUES		
Investment earnings (losses)	\$ 1,906	\$ 1,906
Other	50	50
Total revenues	1,956	1,956
EXPENDITURES		
Current:		
General government	1,311	1,311
Debt service:		
Principal retirement	1,085,221	1,085,221
Interest and fiscal charges	454,861	454,861
Total expenditures	1,541,393	1,541,393
Excess (deficiency) of revenues over expenditures	(1,539,437)	(1,539,437)
OTHER FINANCING SOURCES (USES)		
Proceeds of bond issues	1,474	1,474
Proceeds of refunding bonds	808,478	808,478
Operating transfers in	1,547,168	1,547,168
Operating transfers out	(25,756)	(25,756)
Payments to refunded bond agent	(808,478)	(808,478)
Total other financing sources (uses)	1,522,886	1,522,886
Net change in fund balances	(16,551)	(16,551)
Fund balances - beginning, as restated (Note 2)	32,614	32,614
Fund balances - ending	\$ 16,063	\$ 16,063

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NONMAJOR ENTERPRISE FUNDS

OTHER

This category includes various internal reporting enterprise funds, most of which regulate activities and are funded by the collection of fees.

FLORIDA ENGINEERS MANAGEMENT CORPORATION

This blended component unit was created for the benefit of the Department of Business and Professional Regulation and the Board of Professional Engineers for the purpose of providing administrative, investigative, and prosecutorial services as provided in Section 471.038, Florida Statutes.

SPACE FLORIDA

Pursuant to Section 331.302, Florida Statutes, this entity was created to promote aerospace business development by facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs.

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/22
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 5,539	\$ 366	\$ 28,972	\$ 34,877
Pooled investments with State Treasury	439,149	—	—	439,149
Other investments	5,670	—	2,200	7,870
Receivables, net	2,972	10	27,810	30,792
Due from other funds	14,248	—	—	14,248
Due from component units/primary	220	—	—	220
Inventories	1	—	—	1
Other	6	57	1,843	1,906
Total current assets	467,805	433	60,825	529,063
<u>Noncurrent assets</u>				
Long-term investments	89,178	—	—	89,178
Other loans and notes receivable, net	—	—	137	137
Right to use leased assets	24,031	534	—	24,565
Accumulated amortization	(4,433)	—	—	(4,433)
<u>Capital assets</u>				
Buildings, equipment, and other depreciable assets	31,248	550	352,770	384,568
Accumulated depreciation	(26,057)	(442)	(76,464)	(102,963)
Construction work in progress	257	—	683	940
Other	—	—	11,659	11,659
Total noncurrent assets	114,224	642	288,785	403,651
Total assets	582,029	1,075	349,610	932,714
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	43,798	—	—	43,798
Other postemployment benefits	36,968	—	—	36,968
Total deferred outflows of resources	80,766	—	—	80,766

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/22
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	14,033	156	21,331	35,520
Due to other funds	10,370	—	—	10,370
Due to component units/primary	14	220	—	234
Compensated absences	5,291	—	186	5,477
Installment purchases/leases	4,006	107	1,087	5,200
Deposits	20,157	—	4,019	24,176
Obligations under security lending agreements	22,950	—	—	22,950
Pension liability	219	—	—	219
Other postemployment benefits liability	2,933	—	—	2,933
Total current liabilities	79,973	483	26,623	107,079
<u>Noncurrent liabilities</u>				
Deposits	42,166	—	165,413	207,579
Installment purchases/leases	16,539	441	3,472	20,452
Compensated absences	16,826	—	197	17,023
Pension liability	61,571	—	—	61,571
Other postemployment benefits liability	164,704	—	—	164,704
Other	—	—	10,362	10,362
Total noncurrent liabilities	301,806	441	179,444	481,691
Total liabilities	381,779	924	206,067	588,770
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	78,966	—	—	78,966
Other postemployment benefits	73,936	—	—	73,936
Irrevocable Split-Interest Agreements	—	—	—	—
Total deferred inflows of resources	152,902	—	—	152,902
NET POSITION				
Net investment in capital assets	5,446	108	103,482	109,036
Restricted - other	—	43	5,721	5,764
Unrestricted	122,668	—	34,340	157,008
Total net position	\$ 128,114	\$ 151	\$ 143,543	\$ 271,808

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/22
OPERATING REVENUES				
Sales - nonstate	\$ 93,730	\$ —	\$ 11,042	\$ 104,772
Fees	303,748	1,968	—	305,716
Sales - state	71,961	—	—	71,961
Rents - state	1,094	—	—	1,094
Fines, forfeits, settlements and judgments	9,938	—	—	9,938
Other	17	—	44,769	44,786
Total operating revenues	480,488	1,968	55,811	538,267
OPERATING EXPENSES				
Contractual services	86,594	362	35,272	122,228
Personal services	182,195	1,187	11,184	194,566
Amortization and depreciation	6,528	131	13,453	20,112
Materials and supplies	6,395	103	—	6,498
Repairs and maintenance	2,161	—	—	2,161
Basic services	33,094	198	—	33,292
Interest and fiscal charges	3,477	—	—	3,477
Total operating expenses	320,444	1,981	59,909	382,334
Operating income (loss)	160,044	(13)	(4,098)	155,933
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	585	—	—	585
Investment earnings (losses)	(10,273)	—	338	(9,935)
Interest and fiscal charges	(686)	—	(223)	(909)
Fines, forfeits, judgments and settlements	1	—	—	1
Property disposition gain (loss)	10	—	(2)	8
Gain (loss) on early extinguishment of debt	—	—	295	295
Grant expense and client benefits	(835)	—	—	(835)
Other	(150)	30	(1,269)	(1,389)
Total nonoperating revenues (expenses)	(11,348)	30	(861)	(12,179)
Income (loss) before transfers and contributions	148,696	17	(4,959)	143,754
Operating transfers in	27,151	—	—	27,151
Operating transfers out	(125,994)	—	—	(125,994)
Capital contributions	1	—	—	1
Change in net position	49,854	17	(4,959)	44,912
Total net position - beginning, as restated (Note 2)	78,260	134	148,502	226,896
Total net position - ending	\$ 128,114	\$ 151	\$ 143,543	\$ 271,808

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/22
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 473,307	\$ 2,187	\$ 7,096	\$ 482,590
Cash paid to vendors	(131,985)	(752)	(57,596)	(190,333)
Cash paid to employees	(190,429)	(1,187)	(4,863)	(196,479)
Cash received/(paid) for grants	(974)	—	58,445	57,471
Net cash provided (used) by operating activities	149,919	248	3,082	153,249
ACTIVITIES				
Transfers in (out)	(98,620)	—	—	(98,620)
Cash received from noncapital grants or donations	585	—	—	585
Net cash provided (used) by noncapital financing activities	(98,035)	—	—	(98,035)
FINANCING ACTIVITIES				
Cash received from sale or lease of capital assets	23	—	—	23
Cash received from the issuance of debt	—	—	—	—
Cash received from capital grants and donations	—	—	—	—
Payment of principal on installment purchase/leases	—	(81)	(2,968)	(3,049)
Payment of interest on bonds/installment purchase/leases	—	—	(56)	(56)
Purchase or construction of capital assets	(1,159)	(70)	(451)	(1,680)
Net cash provided (used) by capital and related financing activities	(1,136)	(151)	(3,475)	(4,762)
CASH FLOWS FROM INVESTING ACTIVITIES				
Security lending	7,045	—	—	7,045
Proceeds from the sale or maturity of investments	83,792	—	732	84,524
Investment earnings	(10,722)	—	339	(10,383)
Purchase of investments	(106,972)	—	(223)	(107,195)
Net cash provided (used) by investing activities	(26,857)	—	848	(26,009)
Net increase (decrease) in cash and cash equivalents	23,891	97	455	24,443
Cash and cash equivalents - beginning	420,797	269	28,517	449,583
Cash and cash equivalents - ending	\$ 444,688	\$ 366	\$ 28,972	\$ 474,026

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

**Reconciliation of operating income (loss) to net cash
provided (used) by operating activities**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/22
Operating income (loss)	\$ 160,044	\$ (13)	\$ (4,098)	\$ 155,933
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	6,528	131	13,453	20,112
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	3,012	(12)	11,306	14,306
(Increase) decrease in due from other funds	(2,755)	(1)	—	(2,756)
Increase (decrease) in allowance for uncollectibles	(3,577)	—	—	(3,577)
(Increase) decrease in other non-current assets	—	5	—	5
Increase (decrease) in accounts payable	880	18	(61,074)	(60,176)
Increase (decrease) in compensated absences	(2,039)	—	30	(2,009)
Increase (decrease) in due to other funds	(137)	122	—	(15)
Increase (decrease) in other non-current liability	(830)	—	(1,304)	(2,134)
(Increase) decrease in deposits and prepaid items	(4)	(2)	—	(6)
Increase (decrease) in unearned revenue	(3,381)	—	44,769	41,388
Increase (decrease) in pension liability and deferrals	(7,901)	—	—	(7,901)
Increase (decrease) in OPEB liability and deferrals	79	—	—	79
Net cash provided (used) by operating activities	<u>\$ 149,919</u>	<u>\$ 248</u>	<u>\$ 3,082</u>	<u>\$ 153,249</u>

Noncash investing, capital, and financing activities

Change in fair value of investments	\$ —	\$ —	\$ 1,564	\$ 1,564
Other noncash items	—	—	48,716	48,716

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INTERNAL SERVICE FUNDS

EMPLOYEE HEALTH AND DISABILITY

These funds are administered by the Department of Management Services and are used primarily to account for health and disability plans for employees of the state.

DATA CENTERS

These funds are used to account for services provided by data processing centers operated by various agencies.

COMMUNICATIONS AND FACILITIES

These funds are administered by the Department of Management Services primarily to account for services provided to other state agencies, such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the SUNCOM (state communication) Network.

OTHER

These funds are administered by various agencies primarily to account for services provided to other state agencies, such as legal services, records management, and community services (inmate work squads).

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/22
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ —	\$ —	\$ 11,653	\$ —	\$ 11,653
Pooled investments with State Treasury	617,330	19,108	241,867	5,419	883,724
Other investments	—	—	58,298	—	58,298
Receivables, net	33,791	20	2,418	1,124	37,353
Lease receivables, net	—	—	142	—	142
Due from other funds	1	1,413	18,018	2,977	22,409
Due from component units/primary	—	—	649	—	649
Other	—	—	8	—	8
Total current assets	651,122	20,541	333,053	9,520	1,014,236
<u>Noncurrent assets</u>					
Lease receivables, net	—	—	881	—	881
Right to use leased assets	—	—	106,683	6,740	113,423
Accumulated Amortization	—	—	(297)	(991)	(1,288)
<u>Capital assets</u>					
Land and other non-depreciable assets	—	—	295	1	296
Buildings, equipment, and other depreciable assets	39	24,989	1,542,388	3,480	1,570,896
Accumulated depreciation	(25)	(24,338)	(684,349)	(2,997)	(711,709)
Construction work in progress	—	—	33,187	—	33,187
Total noncurrent assets	14	651	998,788	6,233	1,005,686
Total assets	651,136	21,192	1,331,841	15,753	2,019,922
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	—	—	2,797	—	2,797
Pension-related items	364	7,398	5,857	12,952	26,571
Other postemployment benefits	862	12,320	3,502	4,614	21,298
Total deferred outflows of resources	1,226	19,718	12,156	17,566	50,666

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/22
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	263,107	1,729	9,859	2,674	277,369
Due to other governments	—	—	—	6	6
Due to other funds	67,046	110	141	1,060	68,357
Due to component units/primary	—	281	—	—	281
Compensated absences	45	366	599	578	1,588
Installment purchases/leases	—	—	5,141	925	6,066
Bonds payable	—	—	14,260	—	14,260
Deposits	201,547	—	1,898	14	203,459
Obligations under security lending agreements	31,318	1,165	14,647	165	47,295
Certificates of participation payable	—	—	35,085	—	35,085
Pension liability	2	20	24	50	96
Other postemployment benefits liability	29	197	367	527	1,120
Total current liabilities	563,094	3,868	82,021	5,999	654,982
<u>Noncurrent liabilities</u>					
Advances from other funds	—	—	500	—	500
Bonds payable	—	—	125,262	—	125,262
Certificates of participation payable	—	—	370,255	—	370,255
Installment purchases/leases	—	—	40,363	4,942	45,305
Compensated absences	93	1,256	1,772	2,226	5,347
Pension liability	546	6,039	6,741	19,558	32,884
Other postemployment benefits liability	1,612	11,065	20,628	29,604	62,909
Total noncurrent liabilities	2,251	18,360	565,521	56,330	642,462
Total liabilities	565,345	22,228	647,542	62,329	1,297,444
DEFERRED INFLOWS OF RESOURCES					
Amount deferred on refunding of debt	—	—	5,661	—	5,661
Lease related	—	—	1,023	—	1,023
Pension-related items	880	6,120	8,317	40,045	55,362
Other postemployment benefits	851	16,993	10,229	36,765	64,838
Total deferred inflows of resources	1,731	23,113	25,230	76,810	126,884
NET POSITION					
Net investment in capital assets	14	651	343,796	487	344,948
Restricted - other	—	—	239,741	—	239,741
Unrestricted	85,272	(5,082)	87,688	(106,307)	61,571
Total net position	\$ 85,286	\$ (4,431)	\$ 671,225	\$ (105,820)	\$ 646,260

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COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/22
OPERATING REVENUES					
Sales - nonstate	\$ —	\$ 74	\$ 28,681	\$ 326	\$ 29,081
Fees and charges	—	—	12	—	12
Sales - state	2,543,743	70,256	188,903	31,105	2,834,007
Rents - state	—	—	68,384	—	68,384
Fines, forfeits, settlements and judgments	—	—	—	801	801
Other	17,951	—	6	—	17,957
Total operating revenues	2,561,694	70,330	285,986	32,232	2,950,242
OPERATING EXPENSES					
Contractual services	412,233	31,076	82,151	11,764	537,224
Insurance claims expense	2,574,784	—	—	—	2,574,784
Personal services	1,530	20,731	24,667	135	47,063
Depreciation and amortization	6	467	33,095	1,191	34,759
Materials and supplies	133	2,107	215	1,442	3,897
Repairs and maintenance	25	598	1,367	2	1,992
Basic services	139	1,256	2,916	2,306	6,617
Interest and fiscal charges	—	—	1,009	—	1,009
Total operating expenses	2,988,850	56,235	145,420	16,840	3,207,345
Operating income (loss)	(427,156)	14,095	140,566	15,392	(257,103)
NONOPERATING REVENUES/(EXPENSES)					
Investment earnings (losses)	(11,189)	(787)	(9,589)	(100)	(21,665)
Interest and fiscal charges	(626)	(16)	(13,946)	(82)	(14,670)
Property disposition gain (loss)	(2)	(98)	(39)	(70)	(209)
Other	234,596	—	(19)	—	234,577
Total nonoperating revenues (expenses)	222,779	(901)	(23,593)	(252)	198,033
Income (loss) before transfers and contributions	(204,377)	13,194	116,973	15,140	(59,070)
Operating transfers in	23,630	—	523	1	24,154
Operating transfers out	(28,354)	(1,247)	(17,290)	(808)	(47,699)
Capital contributions	4	23	39	5	71
Change in net position	(209,097)	11,970	100,245	14,338	(82,544)
Total net position - beginning, as restated (Note 2)	294,383	(16,401)	570,980	(120,158)	728,804
Total net position - ending	\$ 85,286	\$ (4,431)	\$ 671,225	\$ (105,820)	\$ 646,260

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,534,657	\$ 69,817	\$ 267,033
Cash paid to vendors	(411,340)	(33,709)	(154,003)
Cash paid to employees	(1,926)	(30,623)	(25,893)
Cash received/(paid) for grants	—	—	1
Cash paid for insurance claims	(2,539,782)	—	—
Net cash provided (used) by operating activities	(418,391)	5,485	87,138
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	263,380	199	(21,680)
Advances from or repayment from other funds	—	—	(97)
Cash received from noncapital grants or donations	—	—	—
Net cash provided (used) by noncapital financing activities	263,380	199	(21,777)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from sale or lease of capital assets	—	—	—
Payment of bond principal	—	—	(16,157)
Payment of principal on installment purchase/lease	—	—	—
Payment of interest on bonds/installment purchase/lease	—	—	(1,265)
Purchase or construction of capital assets	(2)	(93)	(12,781)
Net cash provided (used) by capital and related financing activities	(2)	(93)	(30,203)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	1,318	973	11,974
Proceeds from the sale or maturity of investments	—	—	107,098
Investment earnings	(11,676)	(806)	(9,755)
Net cash provided (used) by investing activities	(10,358)	167	109,317
Net increase (decrease) in cash and cash equivalents	(165,371)	5,758	144,475
Cash and cash equivalents - beginning	782,701	13,350	109,045
Cash and cash equivalents - beginning, as restated	782,701	13,350	109,045
Cash and cash equivalents - ending	\$ 617,330	\$ 19,108	\$ 253,520

Other		Totals 6/30/22	
\$	31,437	\$	2,902,944
	(15,657)		(614,709)
	(17,080)		(75,522)
	—		1
	—		(2,539,782)
	(1,300)		(327,068)
	(471)		241,428
	(103)		(200)
	87		87
	(487)		241,315
	—		—
	—		(16,157)
	—		—
	—		(1,265)
	(69)		(12,945)
	(69)		(30,367)
	89		14,354
	—		107,098
	(101)		(22,338)
	(12)		99,114
	(1,868)		(17,006)
	7,287		912,383
	7,287		912,383
\$	5,419	\$	895,377

INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

**Reconciliation of operating income (loss) to net cash
provided (used) by operating activities**

	Employee Health and Disability	Data Centers	Communications and Facilities
Operating income (loss)	\$ (427,156)	\$ 14,095	\$ 140,566
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	6	467	33,095
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(14,721)	(8,963)	(81,792)
(Increase) decrease in due from other funds	—	(511)	362
Increase (decrease) in allowance for uncollectibles	12,578	—	—
Increase (decrease) in accounts payable	36,116	1,316	(3,888)
Increase (decrease) in compensated absences	(65)	(1,061)	(29)
Increase (decrease) in due to other funds	—	31	—
Increase (decrease) in other non-current liability	—	—	1,009
Increase (decrease) in deposits and prepaid items	—	—	(8)
Increase (decrease) in unearned revenue	(24,816)	—	(784)
Increase (decrease) in pension liability and deferrals	(405)	429	(994)
Increase (decrease) in OPEB liability and deferrals	72	(318)	(399)
Net cash provided (used) by operating activities	\$ (418,391)	\$ 5,485	\$ 87,138

Other		Totals 6/30/22	
\$	15,392	\$	(257,103)
	1,191		34,759
	(981)		(106,457)
	(43)		(192)
	—		12,578
	556		34,100
	(988)		(2,143)
	(449)		(418)
	—		1,009
	—		(8)
	(958)		(26,558)
	(11,169)		(12,139)
	(3,851)		(4,496)
\$	(1,300)	\$	(327,068)

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PRIVATE-PURPOSE TRUST FUNDS**TRUST ESCROW ADMINISTRATION**

These funds administered by the Department of Financial Services are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

UNCLAIMED PROPERTY

This fund includes the internal reporting funds administered by the Department of Financial Services that are used to account for unclaimed property pursuant to Section 717.123, Florida Statutes.

STUDENT LOAN GUARANTY RESERVE

This fund administered by the Department of Education is used to account for federally guaranteed loans to Florida citizens to pay for higher education.

COLLEGE SAVINGS PLAN

This fund, administered by the State Board of Administration, is used to account for contributions from participants of the College Savings Plan as authorized by Section 1009.981, Florida Statutes. Participant contributions are collected and invested in accordance with the Plan provisions and participant direction.

OTHER

This category includes other internal reporting funds administered by various agencies that are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ASSETS				
Cash and cash equivalents	\$ —	\$ 17	\$ —	\$ 10,777
Pooled investments with State Treasury	287,127	32,681	35,177	1,342
Total cash and cash equivalents	287,127	32,698	35,177	12,119
<u>Investments</u>				
U.S. government & federally guaranteed obligations	—	—	—	30,256
Federal agencies	—	—	—	—
Commercial paper	—	—	—	—
Bonds and notes	—	—	—	—
International bonds and notes	—	—	—	—
Mutual fund investments	—	—	—	38,049
Money market and short-term investments	—	—	—	11,056
Domestic equity	—	3,994	—	—
Other investments	—	—	—	—
Total investments	—	3,994	—	79,361
<u>Receivables</u>				
Accounts receivable	—	479	3	61
Interest receivable	2,762	2	29	378
Dividends receivable	—	—	—	26
Futures trade equity	—	—	—	—
Pending investment sales	—	—	—	412
Due from state funds	—	—	—	443
Total receivables	2,762	481	32	1,320
Advances to other funds	—	1,155,877	—	—
Capital assets	—	264	—	—
Accumulated depreciation	—	(203)	—	—
Total assets	289,889	1,193,111	35,209	92,800
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	—	1,436	—	—
Other postemployment benefits	—	692	—	—
Total deferred outflows of resources	—	2,128	—	—
LIABILITIES				
Accounts payable and accrued liabilities	—	4,005	—	328
Due to other funds	322	8	3	8
Pending investment purchases	—	—	—	485
Obligations under security lending agreements	32,972	134	2,211	—
Deposits payable	400	—	—	514
Compensated absences	—	586	—	—
Pension liability	—	1,346	—	—
Other postemployment benefits liability	—	4,400	—	—
Total liabilities	33,694	10,479	2,214	1,335
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	—	1,712	—	—
Other postemployment benefits	—	1,994	—	—
Total deferred inflows of resources	—	3,706	—	—
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ 256,195	\$ 1,181,054	\$ 32,995	\$ 91,465

College Savings Plan		Totals 6/30/22	
\$	3,480	\$	14,274
	—		356,327
	3,480		370,601
	37,869		68,125
	78,743		78,743
	59,693		59,693
	122,222		122,222
	29,004		29,004
	618,730		656,779
	109,575		120,631
	—		3,994
	64		64
	1,055,900		1,139,255
	52		595
	1,856		5,027
	121		147
	20		20
	28,474		28,886
	55,942		56,385
	86,465		91,060
	—		1,155,877
	4		268
	(3)		(206)
	1,145,846		2,756,855
	—		1,436
	—		692
	—		2,128
	1,428		5,761
	37		378
	105,502		105,987
	—		35,317
	54,260		55,174
	—		586
	—		1,346
	—		4,400
	161,227		208,949
	—		1,712
	—		1,994
	—		3,706
\$	984,619	\$	2,546,328

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ADDITIONS				
<u>Contributions and other deposits</u>				
Fees	\$ —	\$ —	\$ —	\$ 102
Grants and contributions	—	—	94,481	—
Fines, forfeits, settlements and judgments	—	196	—	—
Unclaimed property remittances	—	638,743	—	—
Transfers in from state funds	—	—	—	1,770
Total contributions and other deposits	—	638,939	94,481	1,872
<u>Investment income</u>				
Interest income	(7,227)	(54)	(1,034)	802
Dividends	—	—	—	738
Net increase (decrease) in fair market value	—	—	—	(6,637)
Total investment income (loss)	(7,227)	(54)	(1,034)	(5,097)
Investment activity expense	(2,360)	(257)	—	(6)
Net income (loss) from investing activity	(9,587)	(311)	(1,034)	(5,103)
Total net investment income (loss)	(9,587)	(311)	(1,034)	(5,103)
Other additions	—	2,065	1,168	1,059,350
Total additions	(9,587)	640,693	94,615	1,056,119
DEDUCTIONS				
Capital outlay	—	13	—	—
Interest expense	1,900	3	42	—
Lease liabilities issued	—	(8)	—	—
Student loan default payments	—	—	61,265	—
Payments to unclaimed property claimants	10	383,325	—	—
Distribution to State School Fund	—	218,892	—	—
Administrative expense	—	3,897	—	1,942
Property disposition gain (loss)	—	1	—	—
Transfers out to state funds	—	2,234	13	3
Other deductions	—	806	30,456	1,071,326
Total deductions	1,910	609,163	91,776	1,073,271
<u>Depositor activity</u>				
Deposits	730,877	—	—	23,575
Withdrawals	(1,042,125)	—	—	—
Excess (deficiency) of deposits over withdrawals	(311,248)	—	—	23,575
Change in net position	(322,745)	31,530	2,839	6,423
Net position - beginning	578,940	1,149,524	30,156	85,042
Net position - ending	\$ 256,195	\$ 1,181,054	\$ 32,995	\$ 91,465

College Savings Plan	Totals 6/30/22
\$ 669	\$ 771
153,350	247,831
—	196
—	638,743
16,111	17,881
170,130	905,422
11,280	3,767
10,506	11,244
(152,953)	(159,590)
(131,167)	(144,579)
(415)	(3,038)
(131,582)	(147,617)
(131,582)	(147,617)
258	1,062,841
38,806	1,820,646
—	13
—	1,945
—	(8)
—	61,265
—	383,335
—	218,892
7,616	13,455
—	1
—	2,250
71,605	1,174,193
79,221	1,855,341
—	754,452
—	(1,042,125)
—	(287,673)
(40,415)	(322,368)
1,025,034	2,868,696
\$ 984,619	\$ 2,546,328

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PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**DEFINED BENEFIT PENSION PLAN**

This category includes those internal reporting funds primarily administered by the Department of Management Services, Division of Retirement, to account for operations of the Florida Retirement System's defined benefit pension plan.

OTHER DEFINED CONTRIBUTION PLANS

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, to account for operations of the state's other defined contribution plans.

DEFERRED COMPENSATION PLAN

This category includes those internal reporting funds administered by the Department of Financial Services to account for operations of government employees' deferred compensation plan.

LIFE AND OTHER BENEFITS

This category includes those internal reporting funds primarily administered by the Department of Management Services to account for state employees' life and other plans.

RETIREE HEALTH INSURANCE SUBSIDY

This category includes internal reporting funds administered by the Department of Management Services, Division of Retirement, to hold and invest the contributions paid by employers on behalf of their employees who are members of a state-administered retirement plan, and to pay benefits to which such employees or their beneficiaries may become entitled.

DEFINED CONTRIBUTION PENSION PLAN

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, and State Board of Administration to account for operations of the Florida Retirement System's defined contribution pension plan.

NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN

This category includes the internal reporting fund, defined benefit plan, administered by the Department of Management Services, Division of Retirement, to account for operations of the National Guard supplemental retirement benefit plan.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
ASSETS				
Cash and cash equivalents	\$ 102,143	\$ —	\$ —	\$ —
Pooled investments with State Treasury	101,466	15,584	2,214	31,363
Total cash and cash equivalents	203,609	15,584	2,214	31,363
<u>Investments</u>				
Certificates of deposit	403,384	—	—	—
U.S. government & federally guaranteed obligations	11,684,983	—	—	—
Federal agencies	7,741,992	—	—	—
Commercial paper	5,305,755	—	—	—
Repurchase agreements	1,200,000	—	—	—
Bonds and notes	9,550,418	—	2,181,071	—
International bonds and notes	3,072,594	—	—	—
Real estate contracts	16,722,306	—	—	—
Mutual fund investments	—	—	2,858,254	—
Money market and short-term investments	28,558	—	14,576	—
Domestic equity	50,373,390	—	46,919	—
Alternative investments	40,680,622	—	—	—
International equity	29,498,209	—	4,964	—
International equity commingled	5,525,991	—	—	—
Deferred compensation annuities	—	—	10,883	—
Self-directed brokerage investments	—	—	—	—
Other investments	6,866	—	—	—
Total investments	181,795,068	—	5,116,667	—
<u>Receivables</u>				
Accounts receivable	47,522	—	—	—
State contributions receivable	63,154	—	—	—
Nonstate contributions receivable	300,275	19	—	—
Interest receivable	136,639	9	2	30
Dividends receivable	290,505	—	—	—
Pending investment sales	859,607	—	—	—
Foreign currency contracts receivable	146,451	—	—	—
Due from state funds	59,508	6,811	—	28,882
Total receivables	1,903,661	6,839	2	28,912
Security lending collateral	943,509	—	—	—
Right to use leased assets	17,241	355	—	—
Accumulated Amortization	(877)	(18)	—	—
Capital assets	1,143	—	—	23
Accumulated depreciation	(509)	—	—	(11)
Other assets	9,854	—	—	—
Total assets	184,872,699	22,760	5,118,883	60,287
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	—	31	—	77
Other postemployment benefits	4,561	100	—	32
Total deferred outflows of resources	4,561	131	—	109
LIABILITIES				
Accounts payable and accrued liabilities	147,985	607	—	6,441
Due to other funds	32,819	3,414	—	—
DROP	295,814	—	—	—
Pending investment purchases	2,970,691	—	—	—
Short sell obligations	36,041	—	—	—
Foreign currency contracts payable	146,378	—	—	—
Broker rebate fees	942	—	—	—
Obligations under security lending agreements	961,074	861	121	1,763
Compensated absences	1,200	13	—	68
Installment purchases/leases	807	16	—	—
Other liabilities	15,689	324	—	—
Pension liability	—	44	—	136
Other postemployment benefits liability	13,928	224	—	224
Total liabilities	4,623,368	5,503	121	8,632
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	21,107	10,208	—	45,185
Pension-related items	—	69	—	214
Other postemployment benefits	6,381	86	—	231
Total deferred inflows of resources	27,488	10,363	—	45,630
NET POSITION				
Restricted for pension benefits	180,226,404	7,025	—	—
Restricted for other postemployment benefits	—	—	5,118,762	6,134
Total Net Position	\$ 180,226,404	\$ 7,025	\$ 5,118,762	\$ 6,134

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/22
\$ —	\$ 217	\$ —	\$ 102,360
98	69,945	—	220,670
98	70,162	—	323,030
—	—	—	403,384
—	106,567	—	11,791,550
—	81,894	—	7,823,886
—	—	—	5,305,755
—	—	—	1,200,000
—	383,896	—	12,115,385
—	17,385	—	3,089,979
—	—	—	16,722,306
—	10,541,159	—	13,399,413
475,192	32,624	—	550,950
—	611,046	—	51,031,355
—	—	—	40,680,622
—	45,073	—	29,548,246
—	—	—	5,525,991
—	—	—	10,883
—	1,031,641	—	1,031,641
—	—	—	6,866
475,192	12,851,285	—	200,238,212
24	41	—	47,587
2,103	4,634	—	69,891
44,462	81,191	—	425,947
—	1,416	—	138,096
—	2,080	—	292,585
—	27,812	—	887,419
—	30	—	146,481
13,493	16,496	—	125,190
60,082	133,700	—	2,133,196
—	—	—	943,509
—	—	—	17,596
—	—	—	(895)
—	—	—	1,166
—	—	—	(520)
—	—	—	9,854
535,372	13,055,147	—	203,665,148
—	—	—	108
—	—	—	4,693
—	—	—	4,801
3	3,340	—	158,376
—	71,981	—	108,214
—	—	—	295,814
—	67,583	—	3,038,274
—	—	—	36,041
—	—	—	146,378
—	—	—	942
—	—	—	963,819
—	—	—	1,281
—	—	—	823
—	—	—	16,013
—	—	—	180
—	—	—	14,376
3	142,904	—	4,780,531
—	—	—	76,500
—	—	—	283
—	—	—	6,698
—	—	—	83,481
—	12,912,243	—	193,145,672
535,369	—	—	5,660,265
\$ 535,369	\$ 12,912,243	\$ —	\$ 198,805,937

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
ADDITIONS				
<u>Contributions and other deposits</u>				
Pension fund employer contributions - state	\$ 821,815	\$ 3,470	\$ —	\$ —
Pension fund employer contributions - nonstate	3,445,367	104,837	—	—
Pension fund employee contributions	763,675	109,869	—	—
Other contributions	—	—	—	168,573
Purchase of time by employees	5,553	—	—	—
Fees	—	—	1,884	—
Flexible benefits contributions	—	—	342,104	—
Fines, forfeits, settlements and judgments	—	—	—	—
Transfers in from state funds	156,623	—	—	27,747
Total contributions and other deposits	5,193,033	218,176	343,988	196,320
<u>Investment income</u>				
Interest income	1,375,789	(492)	(60)	(826)
Dividends	1,982,410	—	—	—
Other investment income (loss)	4,235,517	—	—	—
Net increase (decrease) in fair market value	(21,104,533)	—	(657,068)	—
Total investment income (loss)	(13,510,817)	(492)	(657,128)	(826)
Investment activity expense	(752,371)	(10)	—	(294)
Net income (loss) from investing activity	(14,263,188)	(502)	(657,128)	(1,120)
<u>Security lending activity</u>				
Security lending income	24,032	—	—	—
Security lending expense	(4,221)	—	—	—
Net income from security lending	19,811	—	—	—
Total net investment income (loss)	(14,243,377)	(502)	(657,128)	(1,120)
Other additions	3,199	199	25	476
Total additions	(9,047,145)	217,873	(313,115)	195,676
DEDUCTIONS				
Benefit payments	11,944,982	—	397,930	—
Insurance claims expense	—	—	—	9,550
Gain/(loss) on sale of general fixed assets	877	18	—	—
Supplemental insurance payments	—	—	—	98,843
Flexible reimbursement payments	—	—	—	27,027
Life insurance premium payments	—	—	—	36,128
Remittances to annuity companies	—	218,169	—	—
Program contribution refunds	28,344	—	—	—
Interest expense	—	—	2	3
Administrative expense	19,879	259	21	318
Property disposition gain (loss)	31	—	—	—
Interest and fiscal charges	185	4	—	—
Transfers out to state funds	814,319	1	1,562	23,681
Other deductions	16	—	—	1
Total deductions	12,808,633	218,451	399,515	195,551
Change in net position	(21,855,778)	(578)	(712,630)	125
Net position - beginning	202,082,182	7,603	5,831,392	6,009
Net position - ending	\$ 180,226,404	\$ 7,025	\$ 5,118,762	\$ 6,134

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/22
\$ 109,789	\$ 78,293	\$ —	\$ 1,013,367
495,295	406,153	—	4,451,652
48	250,522	—	1,124,114
—	—	—	168,573
—	—	—	5,553
—	—	—	1,884
—	—	—	342,104
—	52	—	52
—	768,108	15,589	968,067
605,132	1,503,128	15,589	8,075,366
1,545	6,775	—	1,382,731
—	25,452	—	2,007,862
3	68	—	4,235,588
17	(1,928,068)	—	(23,689,652)
1,565	(1,895,773)	—	(16,063,471)
—	(8,086)	—	(760,761)
1,565	(1,903,859)	—	(16,824,232)
—	—	—	24,032
—	—	—	(4,221)
—	—	—	19,811
1,565	(1,903,859)	—	(16,804,421)
248	21,381	—	25,528
606,945	(379,350)	15,589	(8,703,527)
524,004	1,466,033	15,581	14,348,530
—	—	—	9,550
—	—	—	895
—	—	—	98,843
—	—	—	27,027
—	—	—	36,128
—	—	—	218,169
—	—	—	28,344
—	—	—	5
188	6,083	8	26,756
—	—	—	31
—	—	—	189
1	132,121	—	971,685
—	—	—	17
524,193	1,604,237	15,589	15,766,169
82,752	(1,983,587)	—	(24,469,696)
452,617	14,895,830	—	223,275,633
\$ 535,369	\$ 12,912,243	\$ —	\$ 198,805,937

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INVESTMENT TRUST FUNDS

EXTERNAL TREASURY POOL

This fund, administered by the State Treasury, is used to account for the external portion of the State Treasurer's Investment Pool.

INVESTMENT POOL A

This fund, administered by the State Board of Administration, is used to account for the external portion of the Local Government Surplus Funds Trust Fund (an investment pool) reported by the state.

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

	External Treasury Pool	Investment Pool A	Totals 6/30/22
ASSETS			
Cash and cash equivalents	\$ —	\$ 3,060,164	\$ 3,060,164
Pooled investments with State Treasury	845,779	—	845,779
Total cash and cash equivalents	845,779	3,060,164	3,905,943
<u>Investments</u>			
Certificates of deposit	—	4,029,019	4,029,019
U. S. government & federally guaranteed obligations	—	153,456	153,456
Commercial paper	—	8,045,263	8,045,263
Repurchase agreements	—	319,169	319,169
Bonds and notes	—	265,125	265,125
Money market and short-term investments	—	556,126	556,126
Total investments	—	13,368,158	13,368,158
<u>Receivables</u>			
Interest receivable	687	9,152	9,839
Total receivables	687	9,152	9,839
Other assets	—	24	24
Total assets	846,466	16,437,498	17,283,964
LIABILITIES			
Accounts payable and accrued liabilities	—	9,635	9,635
Due to other funds	—	136	136
Pending investment purchases	—	39,411	39,411
Due to other governments	—	74	74
Obligations under security lending agreements	53,917	—	53,917
Total liabilities	53,917	49,256	103,173
NET POSITION			
Restricted for pool participants	\$ 792,549	\$ 16,388,242	\$ 17,180,791

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

	External Treasury Pool	Investment Pool A	Totals 6/30/22
ADDITIONS			
<u>Contributions and other deposits</u>			
Fines, forfeits, settlements and judgments	\$ —	\$ 84	\$ 84
Total contributions and other deposits	—	84	84
<u>Investment income</u>			
Interest income	(17,896)	57,241	39,345
Net increase (decrease) in fair market value	—	1,519	1,519
Total investment income (loss)	(17,896)	58,760	40,864
Investment activity expense	(1,335)	(5,073)	(6,408)
Net income (loss) from investing activity	(19,231)	53,687	34,456
Total net investment income (loss)	(19,231)	53,687	34,456
Total additions	(19,231)	53,771	34,540
DEDUCTIONS			
Administrative expense	—	51	51
Total deductions	—	51	51
<u>Depositor activity</u>			
Deposits	368,569	27,374,767	27,743,336
Withdrawals	(597,967)	(26,446,661)	(27,044,628)
Excess (deficiency) of deposits over withdrawals	(229,398)	928,106	698,708
Change in net position	(248,629)	981,826	733,197
Net position - beginning	1,041,178	15,406,416	16,447,594
Net position - ending	\$ 792,549	\$ 16,388,242	\$ 17,180,791

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CUSTODIAL FUNDS**TAX DISTRIBUTION AND ADMINISTRATION**

These funds, administered by the Department of Revenue, are primarily used to account for taxes collected by the Department that are held for other municipalities, local governments, or outside entities.

OTHER

These funds, administered by various agencies, are used to account for resources held in trust for entities outside of the State government and for the asset and liability balance related to retiree health care.

FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

These funds, administered by the School for the Deaf and the Blind, are used to account for resources held for students.

STATE BOARD OF ADMINISTRATION

These funds, administered by the State Board of Administration, are primarily used to account for escrowed bond funds.

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**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/22
ASSETS					
Cash and cash equivalents	\$ —	\$ 137,799	\$ 41	\$ —	\$ 137,840
Pooled investments with State Treasury	1,200,895	550,096	—	—	1,750,991
Total cash and cash equivalents	1,200,895	687,895	41	—	1,888,831
<u>Investments</u>					
Money market and short-term investments	—	32,032	—	—	32,032
Other investments	—	670	—	—	670
Total investments	—	32,702	—	—	32,702
<u>Receivables</u>					
Accounts receivable	440,993	79,490	—	—	520,483
Interest receivable	—	344	—	—	344
Due from state funds	249,847	39,098	—	—	288,945
Total receivables	690,840	118,932	—	—	809,772
Advances to other entities	—	180,225	—	—	180,225
Other assets	—	2,849	—	—	2,849
Capital assets	—	585	—	—	585
Accumulated Depreciation	—	(492)	—	—	(492)
Total assets	1,891,735	1,022,696	41	—	2,914,472
LIABILITIES					
Accounts payable and accrued liabilities	513,132	62,009	1	—	575,142
Due to other funds	119,500	160,514	—	—	280,014
Due to other governments	1,255,874	36,661	—	—	1,292,535
Obligations under security lending agreements	—	18,640	—	—	18,640
Claims payable	—	30,344	—	—	30,344
Deposits payable	—	168,226	—	—	168,226
Total liabilities	1,888,506	476,394	1	—	2,364,901
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	\$ —	\$ 76,162	\$ —	\$ —	\$ 76,162
Total deferred inflows of resources	\$ —	\$ 76,162	\$ —	\$ —	\$ 76,162
NET POSITION					
Restricted for Individuals, organizations, and other governments	\$ 3,229	\$ 470,140	\$ 40	\$ —	\$ 473,409

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

	Tax Distribution and Administration	Other	School for the Deaf and Blind	State Board of Administration	Totals 6/30/22
ADDITIONS					
<u>Contributions and other deposits</u>					
Other contributions	\$ —	\$ 6,539	\$ —	\$ —	\$ 6,539
Fees	1,720,081	1,136	—	—	1,721,217
Grants and contributions	—	2,567	—	—	2,567
Fines, forfeits, settlements and judgments	356	87,211	—	—	87,567
Receivership assets acquired	—	252,248	—	—	252,248
Transfers in from state funds	1,270	—	—	—	1,270
Total contributions and other deposits	1,721,707	349,701	—	—	2,071,408
<u>Investment income</u>					
Interest income	26	3,109	—	—	3,135
Other investment income (loss)	—	(12)	—	—	(12)
Net increase (decrease) in fair market value	—	—	—	1	1
Total investment income (loss)	26	3,097	—	1	3,124
Investment activity expense	—	—	—	—	—
Net income (loss) from investment activity	26	3,097	—	1	3,124
Total net investment income (loss)	26	3,097	—	1	3,124
Other additions	10,640,038	158,826	—	26,998	10,825,862
Total additions	12,361,771	511,624	—	26,999	12,900,394
DEDUCTIONS					
Insurance claims expense	—	76,321	—	—	76,321
Interest expense	—	403	—	—	403
Administrative expense	—	38,653	—	—	38,653
Transfers out to state funds	1,067	850	—	—	1,917
Other deductions	12,358,150	229,574	—	26,999	12,614,723
Total deductions	12,359,217	345,801	—	26,999	12,732,017
<u>Depositor activity</u>					
Deposits	—	2,339	—	—	2,339
Withdrawals	—	(2,339)	—	—	(2,339)
Excess (deficiency) of deposits over withdrawals	—	—	—	—	—
Change in net position	2,554	165,823	—	—	168,377
Net position - beginning, as restated (Note 2)	675	304,317	40	—	305,032
Net position - ending	\$ 3,229	\$ 470,140	\$ 40	\$ —	\$ 473,409

NONMAJOR COMPONENT UNITS

WATER MANAGEMENT DISTRICTS

These districts were created in accordance with Section 373.069, Florida Statutes, to provide for the management and conservation of water and related land resources. Refer to Note 1 for additional information.

OTHER STATE UNIVERSITIES

This category includes 11 state universities. Refer to Note 1 for additional information.

FLORIDA COLLEGES

This category includes 28 Florida College System Institutions. Refer to Note 1 for additional information.

OTHER NONMAJOR COMPONENT UNITS

Other nonmajor component units include various foundations and not-for-profit organizations. Refer to Note 1 for additional information.

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**COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)**

	Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/22
ASSETS					
Cash and cash equivalents	\$ 89,541	\$ 546,208	\$ 246,190	\$ 768,427	\$ 1,650,366
Pooled investments with State Treasury	42,047	1,940,224	248,962	22,433	2,253,666
Other investments	949,891	2,244,214	1,190,746	1,559,065	5,943,916
Receivables, net	30,190	578,338	432,283	142,815	1,183,626
Lease receivables, net.	—	318,581	79,836	13,838	412,255
Due from component units/primary	86,951	341,663	56,775	10,352	495,741
Inventories	6,962	11,857	5,681	13,050	37,550
Restricted cash and cash equivalents	—	92,602	285,584	136,305	514,491
Restricted pooled investments with State Treasury	—	182,309	237,313	—	419,622
Restricted investments	222,081	2,965,267	1,432,757	2,764	4,622,869
Other loans and notes receivable, net	—	97,928	—	871	98,799
Other assets	5,870	329,847	133,588	8,306	477,611
Right to used leased assets, net	1,404	361,337	65,651	829	429,221
Capital assets, net	8,884,694	9,428,788	4,420,767	624,940	23,359,189
Total assets	10,319,631	19,439,163	8,836,133	3,303,995	41,898,922
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	6,903	—	—	6,903
Amount deferred on refunding of debt	852	24,366	—	—	25,218
Lease related	—	—	2,355	—	2,355
Pension-related items	46,637	526,514	366,427	100,733	1,040,311
Other postemployment benefits	6,640	659,582	32,844	6,219	705,285
Total deferred outflows of resources	54,129	1,217,365	401,626	106,952	1,780,072
LIABILITIES					
Accounts payable and accrued liabilities	168,697	472,353	393,642	140,389	1,175,081
Due to component units/primary	—	23,568	32,409	54	56,031
Long-term liabilities					
Due within one year	87,690	548,432	158,776	37,478	832,376
Due in more than one year	525,740	5,610,724	1,054,544	1,549,724	8,740,732
Total liabilities	782,127	6,655,077	1,639,371	1,727,645	10,804,220
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	108,811	—	219	109,030
Amount deferred on refunding of debt	—	111	—	—	111
Lease related	—	345,222	73,186	13,376	431,784
Pension-related items	118,570	1,092,133	716,786	98,671	2,026,160
Other postemployment benefits	7,159	824,898	66,534	5,684	904,275
Irrevocable split-interest agreements	—	39,972	2,418	774	43,164
Total deferred inflows of resources	125,729	2,411,147	858,924	118,724	3,514,524
NET POSITION					
Net investment in capital assets	8,479,013	7,555,434	4,162,399	616,013	20,812,859
Restricted for					
Debt service	—	28,872	29,419	—	58,291
Other	565,487	1,540,631	1,612,392	946,406	4,664,916
Funds held for permanent endowment					
Expendable	—	744,266	481,223	—	1,225,489
Nonexpendable	—	2,042,156	512,393	18	2,554,567
Unrestricted	421,404	(321,055)	(58,362)	2,141	44,128
Total net position	\$ 9,465,904	\$ 11,590,304	\$ 6,739,464	\$ 1,564,578	\$ 29,360,250

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	\$ 626,787	\$ 30,559	\$ 104,474	\$ 346,421
Other State Universities	8,130,244	2,697,055	3,189,572	239,076
Florida Colleges	4,113,117	610,644	2,130,767	251,032
Other Nonmajor Component Units	1,356,745	240,376	323,986	35,284
Total component units	<u>\$ 14,226,893</u>	<u>\$ 3,578,634</u>	<u>\$ 5,748,799</u>	<u>\$ 871,813</u>

General revenues

Property taxes

Investment earnings (losses)

Gain (loss) on sale of capital assets

Payments from the State of Florida

Miscellaneous

Contributions to permanent funds

Total general revenues and contributions

Change in net position

Net position - beginning, as restated (Note 2)

Net position - ending

 Net (Expense) Revenue and Changes in Net Position

Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/22
\$ (145,333)	\$ —	\$ —	\$ —	\$ (145,333)
—	(2,004,541)	—	—	(2,004,541)
—	—	(1,120,674)	—	(1,120,674)
—	—	—	(757,099)	(757,099)
(145,333)	(2,004,541)	(1,120,674)	(757,099)	(4,027,647)
516,423	—	—	—	516,423
(825)	(425,299)	44,923	(327,411)	(708,612)
4,475	(41,319)	4,869	(60)	(32,035)
—	2,381,777	1,344,673	459,422	4,185,872
4,946	257,666	151,356	98,606	512,574
—	58,872	9,570	—	68,442
525,019	2,231,697	1,555,391	230,557	4,542,664
379,686	227,156	434,717	(526,542)	515,017
9,086,218	11,363,148	6,304,747	2,091,120	28,845,233
\$ 9,465,904	\$ 11,590,304	\$ 6,739,464	\$ 1,564,578	\$ 29,360,250

STATISTICAL SECTION

STATISTICAL SECTION

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This section of the State of Florida's ACFR provides additional detailed information for use in assessing the financial condition of the government.

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**Net Position by Component
For the Last Ten Fiscal Years
(in thousands)**
(Accrual Basis of Accounting)

SCHEDULE A-1

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental Activities					
Net investment in capital assets	\$ 59,994,370	\$ 61,727,674	\$ 63,937,059	\$ 66,196,839	\$ 69,021,627
Restricted for					
Natural resources, environment, and growth management	2,533,998	2,672,904	2,930,848	3,188,567	3,354,846
Public Education	390,829	502,820	778,229	742,292	701,059
Health and Family Services	1,562,739	1,771,369	1,258,290	1,592,259	1,796,164
Transportation	1,665,701	2,475,460	2,121,855	1,942,833	1,630,744
Nonmajor governmental funds	1,137,373	1,100,467	1,096,687	1,132,748	1,182,019
Debt service	280,048	263,030	248,102	252,056	217,884
Other	557,025	482,457	523,957	635,617	678,388
Funds held for permanent endowment					
Unrestricted	(10,774,051)	(9,773,999)	(12,370,358)	(12,006,653)	(12,401,193)
Total governmental activities net position	<u>\$ 57,348,032</u>	<u>\$ 61,222,182</u>	<u>\$ 60,524,669</u>	<u>\$ 63,676,558</u>	<u>\$ 66,181,538</u>
Percent change from prior year	8.66%	6.76 %	-1.14 %	5.21 %	3.93 %
Business-type Activities					
Net investment in capital assets	\$ 5,841,079	\$ 6,789,610	\$ 7,543,562	\$ 7,766,815	\$ 8,652,433
Restricted for					
Transportation	168,934	316,989	312,992	317,355	298,572
Lottery	102,088	93,419	95,094	121,932	95,499
Prepaid College Program	829,845	1,792,466	1,507,552	1,657,880	2,367,619
Hurricane Catastrophe Fund	8,295,259	10,160,217	11,632,636	12,771,922	13,980,584
Reemployment Assistance	1,158,339	2,044,428	2,797,525	3,337,397	3,737,155
Other	4,165	9,144	2,658	1,296	467
Unrestricted	889,008	951,037	893,680	1,282,592	1,274,131
Total business-type activities net position	<u>\$ 17,288,717</u>	<u>\$ 22,157,310</u>	<u>\$ 24,785,699</u>	<u>\$ 27,257,189</u>	<u>\$ 30,406,460</u>
Percent change from prior year	29.10%	28.16 %	11.86 %	9.97 %	11.55 %
Total Primary Government					
Net investment in capital assets	\$ 65,835,449	\$ 68,517,284	\$ 71,480,621	\$ 73,963,654	\$ 77,674,060
Restricted for					
Natural resources, environment, and growth management	2,533,998	2,672,904	2,930,848	3,188,567	3,354,846
Public Education	390,829	502,820	778,229	742,292	701,059
Health and Family Services	1,562,739	1,771,369	1,258,290	1,592,259	1,796,164
Transportation	1,834,635	2,792,449	2,434,847	2,260,188	1,929,316
Nonmajor governmental funds	1,137,373	1,100,467	1,096,687	1,132,748	1,182,019
Debt service	280,048	263,030	248,102	252,056	217,884
Lottery	102,088	93,419	95,094	121,932	95,499
Prepaid College Program	829,845	1,792,466	1,507,552	1,657,880	2,367,619
Hurricane Catastrophe Fund	8,295,259	10,160,217	11,632,636	12,771,922	13,980,584
Reemployment Assistance	1,158,339	2,044,428	2,797,525	3,337,397	3,737,155
Other	561,190	491,601	526,615	636,913	678,855
Funds held for permanent endowment					
Unrestricted	(9,885,043)	(8,822,962)	(11,476,678)	(10,724,061)	(11,127,062)
Total primary government net position	<u>\$ 74,636,749</u>	<u>\$ 83,379,492</u>	<u>\$ 85,310,368</u>	<u>\$ 90,933,747</u>	<u>\$ 96,587,998</u>
Percent change from prior year	12.80%	11.71 %	2.32 %	6.59 %	6.22 %

Note: Reporting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. See Schedule A-2 for changes in net position from year to year.

Fiscal Year					
2018	2019	2020	2021	2022	
\$ 70,555,222	\$ 72,831,994	\$ 75,163,014	\$ 77,434,619	\$ 80,475,306	
3,477,284	3,895,031	4,170,683	4,577,465	5,678,156	
597,870	533,623	405,676	380,668	489,818	
1,850,079	1,759,456	1,781,785	1,985,463	2,605,583	
1,701,574	1,742,579	1,698,367	1,888,355	1,885,290	
1,197,583	1,451,488	1,269,395	1,523,668	1,667,053	
162,511	80,368	30,391	32,607	16,041	
639,860	769,906	700,498	779,833	1,109,053	
(17,686,725)	(16,241,118)	(15,549,592)	(10,667,124)	7,824,612	
\$ 62,495,258	\$ 66,823,327	\$ 69,670,217	\$ 77,935,554	\$ 101,750,912	
-5.57 %	6.93%	4.26%	11.86%	30.56 %	
\$ 10,521,410	\$ 10,933,870	\$ 12,022,039	\$ 12,590,918	13,369,983	
250,887	432,848	249,847	285,126	283,558	
91,991	130,558	139,270	105,007	91,978	
2,954,127	3,700,748	3,566,380	4,712,304	4,080,834	
12,700,446	10,288,180	10,351,755	10,195,203	10,909,990	
3,951,714	4,144,120	2,318,051	1,005,981	1,821,414	
12,286	5,744	2,132	4,216	5,764	
987,199	1,137,521	844,697	666,264	1,066,027	
\$ 31,470,060	\$ 30,773,589	\$ 29,494,171	\$ 29,565,019	\$ 31,629,548	
3.50 %	-2.26%	-4.16%	0.24%	6.98 %	
\$ 81,076,632	\$ 83,765,864	\$ 87,185,053	\$ 90,025,537	\$ 93,845,289	
3,477,284	3,895,031	4,170,683	4,577,465	5,678,156	
597,870	533,623	405,676	380,668	489,818	
1,850,079	1,759,456	1,781,785	1,985,463	2,605,583	
1,952,461	2,175,427	1,948,214	2,173,481	2,168,848	
1,197,583	1,451,488	1,269,395	1,523,668	1,667,053	
162,511	80,368	30,391	32,607	16,041	
91,991	130,558	139,270	105,007	91,978	
2,954,127	3,700,748	3,566,380	4,712,304	4,080,834	
12,700,446	10,288,180	10,351,755	10,195,203	10,909,990	
3,951,714	4,144,120	2,318,051	1,005,981	1,821,414	
652,146	775,650	702,630	784,049	1,114,817	
(16,699,526)	(15,103,597)	(14,704,895)	(10,000,860)	8,890,639	
\$ 93,965,318	\$ 97,596,916	\$ 99,164,388	\$ 107,500,573	\$ 133,380,460	
-2.72 %	3.72%	1.61%	8.41%	24.07 %	

**Changes in Net Position
For the Last Ten Fiscal Years
(in thousands)**
(Accrual Basis of Accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 6,430,345	\$ 6,057,247	\$ 6,451,450	\$ 6,699,521	\$ 6,920,055
Education	17,807,322	19,316,440	19,642,993	20,162,012	20,805,316
Human services	30,770,664	32,971,959	34,302,877	34,595,840	35,856,581
Criminal justice and corrections	4,186,869	3,847,359	3,863,258	4,021,540	4,276,747
Natural resources and environment	2,374,092	2,497,934	2,537,376	2,852,005	3,137,354
Transportation	3,543,133	3,851,085	4,031,701	4,962,377	4,405,444
Judicial branch	455,878	487,056	479,671	521,155	586,606
Indirect interest on long-term debt	5,904	5,814	140,676	78,225	84,311
Total governmental activities expenses	65,574,207	69,034,894	71,450,002	73,892,675	76,072,414
Business-type activities:					
Transportation	426,056	392,138	470,955	514,248	574,436
Lottery	3,619,597	3,904,940	4,116,009	4,389,601	4,522,491
Hurricane Catastrophe Fund	(95,313)	(90,146)	91,173	68,294	80,081
Prepaid College Program	(149,009)	(48,662)	760,234	1,322,406	(251,749)
Reemployment Assistance	2,389,913	1,448,606	663,660	465,563	414,596
Nonmajor enterprise funds	287,278	314,276	322,557	332,551	339,090
Total business-type activities expenses	6,478,522	5,921,152	6,424,588	7,092,663	5,678,945
Total primary government expenses	\$ 72,052,729	\$ 74,956,046	\$ 77,874,590	\$ 80,985,338	\$ 81,751,359
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 5,153,314	\$ 4,804,016	\$ 4,577,749	\$ 4,656,044	\$ 5,182,354
Education	243,580	235,756	216,000	291,798	250,636
Human services	1,363,570	2,443,730	2,271,823	1,702,416	1,502,243
Criminal justice and corrections	762,411	261,949	275,308	312,850	266,759
Natural resources and environment	336,560	342,489	363,976	367,177	344,710
Transportation	485,131	274,205	709,950	256,419	260,096
Judicial branch	105,006	99,211	85,598	77,239	88,213
Operating Grants and Contributions	25,852,502	26,960,994	26,000,382	27,224,801	27,968,095
Capital Grants and Contributions	2,022,429	2,470,890	2,229,337	2,503,371	2,250,743
Total governmental activities program revenues	36,324,503	37,893,240	36,730,123	37,392,115	38,113,849
Business-type activities:					
Charges for services					
Transportation	851,997	922,212	993,662	1,131,342	1,175,815
Lottery	5,012,842	5,392,735	5,607,354	6,108,189	6,150,021
Hurricane Catastrophe Fund	1,295,500	1,296,550	1,314,505	1,214,518	1,203,757
Prepaid College Program	115,727	913,778	475,406	1,472,707	457,842
Reemployment Assistance	2,235,316	1,911,442	1,416,939	1,031,057	821,223
Nonmajor enterprise funds	380,370	406,902	429,789	431,022	449,732
Operating Grants and Contributions	1,442,864	432,698	35,521	10,886	4,948
Capital Grants and Contributions	6,414	19,732	3,350	2,724	5,948
Total business-type activities program revenues	11,341,030	11,296,049	10,276,526	11,402,445	10,269,286
Total primary government program revenues	\$ 47,665,533	\$ 49,189,289	\$ 47,006,649	\$ 48,794,560	\$ 48,383,135
Net (Expense) Revenue ⁽¹⁾					
Governmental activities	\$ (29,249,704)	\$ (31,141,654)	\$ (34,719,879)	\$ (36,500,560)	\$ (37,958,565)
Business-type activities	4,862,508	5,374,897	3,851,938	4,309,782	4,590,341
Total primary government net (expense)	\$ (24,387,196)	\$ (25,766,757)	\$ (30,867,941)	\$ (32,190,778)	\$ (33,368,224)

⁽¹⁾ Net (Expense) Revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants and its reliance upon funding from general revenues.

Fiscal Year				
2018	2019	2020	2021	2022
\$ 7,121,076	\$ 7,880,707	\$ 9,614,755	\$ 11,253,544	\$ 9,386,057
22,087,266	23,156,683	23,297,022	25,505,514	25,407,680
37,655,551	36,578,683	39,400,204	46,912,818	48,863,693
4,641,430	4,829,124	5,178,908	5,156,439	4,673,751
3,348,183	3,291,238	3,187,110	3,473,198	3,315,724
4,384,174	4,393,614	4,301,255	4,491,160	5,795,065
604,607	621,300	694,616	702,302	454,271
87,061	37,977	66,581	76,838	73,810
79,929,348	80,789,326	85,740,451	97,571,813	97,970,051
655,689	774,282	842,859	821,716	964,506
4,956,621	5,233,699	5,653,279	6,861,283	6,982,645
2,578,144	4,019,088	1,556,717	1,383,434	71,455
49,629	1,016,432	898,935	(38,945)	(1,092,649)
450,662	386,497	9,191,215	21,013,137	1,784,609
375,950	406,593	388,942	419,997	385,527
9,066,695	11,836,591	18,531,947	30,460,622	9,096,093
\$ 88,996,043	\$ 92,625,917	\$ 104,272,398	\$ 128,032,435	\$ 107,066,144
\$ 4,986,966	\$ 5,150,621	\$ 4,631,524	\$ 5,087,572	\$ 6,692,243
267,724	351,836	293,948	447,607	268,191
2,119,895	2,043,492	2,186,607	2,099,760	3,036,226
272,208	274,257	272,613	331,010	295,836
351,419	398,537	387,081	294,541	326,094
233,922	252,861	318,386	198,573	330,766
89,863	98,834	93,555	96,723	96,283
29,889,510	29,279,568	34,671,497	46,652,949	51,699,711
2,490,930	2,310,034	2,076,859	2,151,796	1,850,388
40,702,437	40,160,040	44,932,070	57,360,531	64,595,738
1,234,814	1,278,487	1,189,112	1,111,855	1,259,541
6,709,553	7,197,221	7,570,838	9,061,022	9,301,527
1,306,875	1,618,782	1,631,661	1,240,225	799,466
636,471	1,762,853	764,072	1,107,314	(1,716,398)
663,818	583,516	526,593	1,145,159	819,741
478,163	532,419	459,066	515,831	570,274
12,168	5,186	6,846,808	18,685,308	1,299,312
43,022	12,903	14,170	999	—
11,084,884	12,991,367	19,002,320	32,867,713	12,333,463
\$ 51,787,321	\$ 53,151,407	\$ 63,934,390	\$ 90,228,244	\$ 76,929,201
\$ (39,226,911)	\$ (40,629,286)	\$ (40,808,381)	\$ (40,211,282)	\$ (33,374,313)
2,018,189	1,154,776	470,373	2,407,091	3,237,370
\$ (37,208,722)	\$ (39,474,510)	\$ (40,338,008)	\$ (37,804,191)	\$ (30,136,943)

**Changes in Net Position
For the Last Ten Fiscal Years
(in thousands)**

(Accrual Basis of Accounting)

**General Revenues and Other Changes in
Net Position**

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities:					
Taxes					
Sales and use tax	\$ 19,914,591	\$ 21,255,958	\$ 22,916,865	\$ 24,255,828	\$ 25,333,464
Fuel taxes	2,580,843	2,680,381	2,799,442	2,934,580	3,016,110
Corporate income tax	2,055,440	2,043,380	2,236,690	2,181,244	2,383,783
Documentary stamp tax	1,662,044	1,806,604	2,118,466	2,284,854	2,427,903
Intangible personal property tax	279,047	254,236	305,131	341,418	370,421
Communication service tax	1,422,775	1,317,185	1,261,598	1,030,801	933,454
Beverage and tobacco taxes	1,700,095	1,631,109	1,647,809	1,589,210	1,521,059
Insurance premium tax	907,004	917,693	914,710	940,747	959,339
Gross receipts utilities tax	588,765	614,337	779,056	777,404	767,388
Other taxes	1,142,373	1,187,566	1,241,641	1,282,545	1,309,079
Investment earnings (loss)	104,112	346,868	138,726	327,804	61,669
Gain (loss) on sale of capital assets	(62,746)	(36,506)	(94,099)	90,007	(166,526)
Miscellaneous	—	—	—	—	—
Transfers	1,534,368	996,993	1,568,396	1,671,350	1,540,720
Total governmental activities	33,828,711	35,015,804	37,834,431	39,707,792	40,457,863
Business-type activities:					
Investment earnings (loss)	496	3,957	2,212	6,594	(696)
Gain (loss) on sale of capital assets	(4,679)	(2,579)	(13,238)	(154,186)	(799)
Emergency assessments	490,011	498,560	256,884	3,064	300
Miscellaneous	740	1,050	4,223	555	1,018
Transfers	(1,534,368)	(996,993)	(1,568,396)	(1,671,350)	(1,540,720)
Total business-type activities	(1,047,800)	(496,005)	(1,318,315)	(1,815,323)	(1,540,897)
Total primary government	\$ 32,780,911	\$ 34,519,799	\$ 36,516,116	\$ 37,892,469	\$ 38,916,966
Change in Net Position					
Governmental activities	\$ 4,579,007	\$ 3,874,150	\$ 3,114,552	\$ 3,207,232	\$ 2,499,298
Business-type activities	3,814,708	4,878,892	2,533,623	2,494,459	3,049,444
Total primary government ⁽²⁾	\$ 8,393,715	\$ 8,753,042	\$ 5,648,175	\$ 5,701,691	\$ 5,548,742

⁽²⁾ See Schedule A-1 for ending net asset balances for reported years.

Fiscal Year					
2018	2019	2020	2021	2022	
\$ 26,781,181	\$ 27,999,274	\$ 26,936,491	\$ 30,451,764	\$ 38,414,357	
3,111,590	3,254,839	3,048,047	3,160,743	3,423,181	
2,412,220	3,114,711	2,509,887	3,153,000	3,765,350	
2,517,733	2,648,213	2,829,050	4,137,123	5,326,594	
376,744	386,168	488,765	708,962	840,184	
1,031,288	941,415	927,396	901,874	924,320	
1,465,590	1,445,638	1,398,145	1,438,733	1,407,935	
1,084,872	1,178,214	1,225,176	1,491,830	1,571,412	
793,809	806,447	732,663	780,822	875,652	
882,784	902,273	904,529	927,067	1,075,639	
231,040	661,924	886,544	(415,279)	(1,600,023)	
(49,064)	(289,470)	5,111	(14,195)	(13,749)	
—	—	1	21,303	—	
1,087,452	1,864,750	1,762,981	2,337,291	1,187,821	
41,727,239	44,914,396	43,654,786	49,080,948	57,198,673	
4,400	13,106	11,173	(6,989)	(22,373)	
(6,248)	(2,494)	(998)	(2,704)	(7,252)	
192	81	—	—	—	
2,973	2,810	3,174	1,092	2,602	
(1,087,452)	(1,864,750)	(1,762,981)	(2,337,291)	(1,187,821)	
(1,086,135)	(1,851,247)	(1,749,632)	(2,345,892)	(1,214,844)	
\$ 40,641,104	\$ 43,063,149	\$ 41,905,154	\$ 46,735,056	\$ 55,983,829	
\$ 2,500,328	\$ 4,285,110	\$ 2,846,405	\$ 8,869,666	\$ 23,824,360	
932,055	(696,471)	(1,279,259)	61,199	2,022,526	
\$ 3,432,383	\$ 3,588,639	\$ 1,567,146	\$ 8,930,865	\$ 25,846,886	

Fund Balances
Governmental Funds
Last Ten Fiscal Years
(in thousands)
 (Modified Accrual Basis of Accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund (Per GASB 54):					
<u>Nonspendable</u>					
Inventories	\$ 27,518	\$ 36,142	\$ 19,120	\$ 26,800	\$ 20,932
Restricted	60,359	90,396	89,190	74,750	71,000
Committed	746,914	903,183	921,750	1,032,466	1,168,162
Unassigned	5,322,056	5,444,736	5,878,552	5,694,315	5,419,306
Total general fund	<u>6,156,847</u>	<u>6,474,457</u>	<u>6,908,612</u>	<u>6,828,331</u>	<u>6,679,400</u>
Percent change from prior year	28.25 %	5.16 %	6.71 %	(1.16)%	-2.18%
Other Governmental Funds (Per GASB 54):					
<u>Nonspendable</u>					
Inventories	117,133	95,290	47,641	74,129	88,324
Restricted	5,301,861	5,553,343	5,906,581	5,986,279	5,973,257
Committed	4,880,459	5,920,057	5,350,800	5,926,436	5,976,254
Unassigned	(743,777)	(808,982)	(883,674)	(851,275)	(904,334)
Total other governmental funds	<u>9,555,676</u>	<u>10,759,708</u>	<u>10,421,348</u>	<u>11,135,569</u>	<u>11,133,501</u>
Total Governmental Funds ⁽¹⁾	<u>\$ 15,712,523</u>	<u>\$ 17,234,165</u>	<u>\$ 17,329,960</u>	<u>\$ 17,963,900</u>	<u>\$ 17,812,901</u>
Percent change from prior year	12.91 %	9.68 %	0.56 %	3.66 %	-0.84%

⁽¹⁾ See Schedule A-4 for changes in fund balances from year to year.

Fiscal Year				
2018	2019	2020	2021	2022
\$ 16,142	\$ 15,768	\$ 11,959	\$ 11,130	\$ 18,312
39,684	55,171	73,252	64,503	60,576
1,239,072	1,274,538	1,293,157	1,509,709	549,936
5,842,506	7,476,330	7,864,662	12,618,756	27,146,003
7,137,404	8,821,807	9,243,030	14,204,098	27,774,827
6.86%	23.60%	4.77%	53.67%	95.54%
73,629	51,906	42,513	43,116	142,359
5,734,273	5,992,712	5,841,516	6,118,415	6,900,092
6,116,770	6,075,788	6,310,740	7,576,298	11,060,413
(888,359)	(821,050)	(858,577)	(910,380)	(860,732)
11,036,313	11,299,356	11,336,192	12,827,449	17,242,132
\$ 18,173,717	\$ 20,121,163	\$ 20,579,222	\$ 27,031,547	\$ 45,016,959
2.03%	10.72%	2.28%	31.35%	66.53%

Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(in thousands)
 (Modified Accrual Basis of Accounting)

SCHEDULE A-4

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 32,173,233	\$ 33,712,162	\$ 36,289,996	\$ 37,650,476	\$ 39,034,702
Licenses and permits	1,851,362	1,903,517	1,897,328	2,032,352	2,126,261
Fees and charges	4,930,332	4,827,751	4,843,738	3,838,867	3,983,785
Grants and donations	27,596,477	28,886,209	28,744,814	29,696,010	30,103,652
Investment earnings (losses)	191,892	481,773	246,533	512,562	112,511
Fines, forfeits, settlements and judgments	1,537,935	866,209	797,391	841,078	1,289,474
Other	148,442	565,212	704,131	733,943	616,558
Total revenues	68,429,673	71,242,833	73,523,931	75,305,288	77,266,943
Expenditures					
Current:					
General government	6,416,211	6,177,769	6,551,304	6,669,232	6,826,395
Education	17,149,935	18,723,050	19,087,014	19,662,950	20,324,681
Human services	30,594,941	32,888,676	34,183,874	34,502,757	35,808,456
Criminal justice and corrections	4,025,052	3,673,356	3,829,083	3,908,252	4,027,094
Natural resources and environment	2,206,123	2,351,663	2,423,631	2,717,900	2,970,959
Transportation	3,730,419	3,726,115	3,910,663	4,426,536	4,162,072
Judicial branch	445,686	475,097	497,318	504,072	516,516
Capital outlay	2,424,648	2,105,023	2,448,442	2,417,671	2,908,107
Gain/(loss) on disposal of general fixed assets	—	—	—	—	—
Debt service:					
Principal retirement	1,270,667	1,012,513	1,448,950	1,142,026	1,331,004
Interest and fiscal charges	960,974	894,496	958,558	849,980	824,928
Total expenditures	69,224,656	72,027,758	75,338,837	76,801,376	79,700,212
Excess (deficiency) of revenues over expenditures	(794,983)	(784,925)	(1,814,906)	(1,496,088)	(2,433,269)
Other Financing Sources (Uses)					
Proceeds of bond issues	229,511	298,118	45,165	57,398	257,400
Proceeds of refunding bonds	1,759,221	807,336	1,923,687	1,791,321	1,446,829
Proceeds of financing agreements	631,503	383,524	288,391	233,131	327,122
Lease liabilities issued ⁽¹⁾	—	—	—	—	—
Operating transfers in	9,648,910	9,215,113	9,364,500	9,735,795	9,858,172
Operating transfers out	(8,097,250)	(7,590,188)	(7,787,355)	(7,977,382)	(8,142,270)
Payments to refunded bond agent	(1,759,221)	(807,336)	(1,923,687)	(1,791,321)	(1,446,829)
Total other financing sources (uses)	2,412,674	2,306,567	1,910,701	2,048,942	2,300,424
Net change in fund balances	\$ 1,617,691	\$ 1,521,642	\$ 95,795	\$ 552,854	\$ (132,845)
Debt Service as a Percentage of Noncapital Expenditures	3.3 %	2.7 %	3.3 %	2.7 %	2.8 %

⁽¹⁾ This accounts for Lease agreements initially recorded in fiscal year 2022 in accordance with GASB Statement No. 87 - Lease implementation and each fiscal year thereafter.

Fiscal Year				
2018	2019	2020	2021	2022
\$ 40,473,470	\$ 42,684,416	\$ 40,980,841	\$ 47,125,309	\$ 57,526,019
2,268,941	2,221,598	2,041,437	2,242,010	2,511,423
4,344,609	4,380,169	4,155,847	4,317,585	5,361,869
32,243,096	31,379,504	36,960,719	48,703,949	53,254,753
348,503	920,929	1,158,299	(483,201)	(1,809,664)
807,165	1,108,662	938,994	1,327,877	1,033,834
792,758	713,563	727,470	940,532	868,435
81,278,542	83,408,841	86,963,607	104,174,061	118,746,669
6,994,032	7,745,467	9,595,258	10,959,862	9,338,893
21,679,600	22,804,005	23,003,050	25,240,802	25,214,965
37,487,402	36,413,466	39,350,038	46,795,271	48,204,083
4,275,750	4,451,590	4,532,817	4,545,059	4,876,713
3,215,081	3,115,076	3,054,429	3,331,421	4,082,143
4,272,185	4,232,866	4,152,176	4,356,301	5,910,769
528,739	540,114	548,851	570,471	529,046
2,844,370	3,290,372	3,128,355	2,742,444	3,909,215
(319)	—	—	—	—
1,533,293	1,316,905	1,507,275	1,535,020	1,403,846
751,256	650,395	624,058	576,120	539,254
83,581,389	84,560,256	89,496,307	100,652,771	104,008,927
(2,302,847)	(1,151,415)	(2,532,700)	3,521,290	14,737,742
417,571	625,953	397,761	886,129	2,899
1,376,618	1,229,094	1,381,184	1,652,126	808,478
440,672	429,892	519,983	272,909	101,479
—	—	—	—	1,234,347
10,176,908	11,036,970	11,407,677	13,720,152	16,777,319
(8,296,488)	(8,993,953)	(9,355,147)	(11,344,958)	(14,899,884)
(1,376,618)	(1,229,093)	(1,381,184)	(1,652,126)	(808,478)
2,738,663	3,098,861	2,990,274	3,534,232	3,216,160
\$ 435,816	\$ 1,947,446	\$ 457,574	\$ 7,055,522	\$ 17,953,902
2.8 %	2.4 %	2.4 %	2.2 %	1.9 %

**Revenue Base/Rate
Taxable Sales by Industry
Last Ten Calendar Years
(in thousands)**

SCHEDULE B-1

Industry	Calendar Year				
	2012	2013	2014	2015	2016
Agriculture	\$ 593,296	\$ 502,451	\$ 683,513	\$ 341,849	\$ 368,630
Mining	331,665	316,989	424,416	465,381	480,200
Construction	3,126,150	2,649,600	3,777,419	3,955,275	4,313,115
Manufacturing	11,662,104	10,836,540	13,703,157	14,726,621	16,166,532
Transportation	8,634,841	7,396,529	9,357,588	9,780,692	9,536,571
Communications ⁽¹⁾	14,512,956	14,133,220	13,664,244	13,356,227	12,579,292
Wholesale	10,112,139	11,115,462	12,987,380	14,212,567	15,659,435
Retail trade	158,134,617	169,417,669	182,082,864	196,600,925	204,810,062
Finance and insurance	39,688,012	41,602,427	45,026,905	48,580,481	52,026,830
Services	77,920,525	80,461,679	89,269,937	96,681,482	101,451,337
Government	320,316	315,398	344,302	447,860	434,667
Other	3,032,508	1,525,473	3,276,640	1,124,777	937,406
Total	<u>\$ 328,069,129</u>	<u>\$ 340,273,437</u>	<u>\$ 374,598,365</u>	<u>\$ 400,274,137</u>	<u>\$ 418,764,077</u>
State direct sales tax rate ⁽²⁾	6.0%	6.0%	6.0%	6.0%	6.0%

Note: Taxable sales information is available for reporting on a calendar-year basis only.

⁽¹⁾ Taxable sales associated with communications services tax.

⁽²⁾ The sales tax rate on non-residential electricity was 7.0% for utility service provided prior to July 1, 2014. For utility service on or after July 1, 2014, the state sales tax rate is 4.35%. The sales tax rate on communication services (nonresidential phone and all cable) was 6.65% from August 1, 2010 until July 1, 2015 when it was reduced to 4.92%. The sales tax rate on amusement machines is 4.0%. Farm equipment is tax-exempt. Rental, lease, or license of commercial real property is taxed at 5.5%. Retail sales of new mobile homes are taxed at 3%.

Source: Florida Department of Revenue

Calendar Year				
2017	2018	2019	2020	2021
\$ 369,427	\$ 422,984	\$ 435,817	\$ 460,372	\$ 532,134
457,267	502,548	502,629	546,173	634,614
4,417,777	4,732,668	4,975,150	4,888,668	5,673,823
16,900,270	18,534,298	19,592,528	19,312,927	22,875,289
10,117,226	10,112,997	10,921,958	9,996,931	11,243,680
12,755,358	12,670,839	12,194,459	11,826,504	11,949,799
17,031,207	19,354,520	20,993,960	21,693,918	27,024,852
211,447,513	221,938,314	228,009,017	233,194,503	298,213,725
55,845,421	61,746,877	65,480,181	60,487,159	73,341,263
105,536,357	110,943,075	115,993,468	88,780,639	127,372,691
475,304	530,359	564,072	415,381	531,394
395,293	499,328	531,577	536,148	3,328,327
<u>\$ 435,748,420</u>	<u>\$ 461,988,807</u>	<u>\$ 480,194,816</u>	<u>\$ 452,139,323</u>	<u>\$ 582,721,591</u>
6.0%	6.0%	6.0%	6.0%	6.0%

**Principal Sales Tax Payers by Industry
For Calendar Years 2021 and 2012
(dollars are in thousands)**

SCHEDULE B-2

Industry	Calendar Year 2021			Calendar Year 2012		
	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	3,551	\$ 36,894	0.09 %	4,483	\$ 38,526	0.18 %
Mining	708	43,113	0.11 %	743	21,420	0.10 %
Construction	12,739	383,800	0.97 %	8,872	203,217	0.97 %
Manufacturing	38,803	1,561,767	3.95 %	30,500	757,108	3.61 %
Transportation and utilities	6,757	808,467	2.04 %	6,093	613,803	2.92 %
Communications ⁽¹⁾	2,448	282,090	0.71 %	2,968	370,491	1.77 %
Wholesale	52,379	1,858,805	4.70 %	42,131	662,231	3.16 %
Retail trade	288,127	20,336,905	51.44 %	241,914	10,306,497	49.11 %
Finance and insurance	219,793	4,996,259	12.65 %	194,637	2,616,240	12.47 %
Services	192,091	8,967,798	22.68 %	149,920	5,177,056	24.67 %
Government	306	35,395	0.09 %	177	22,318	0.11 %
Other	3,969	226,614	0.57 %	5,719	199,581	0.95 %
Total	821,671	\$ 39,537,907	100.00 %	688,157	\$ 20,988,488	100.00 %

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available for reporting. The categories presented are intended to provide alternative information regarding the sources of the state's revenue. In addition, some of the categories from the revenue base/rate schedule have been combined in preparing this schedule.

Taxable sales information is available for reporting on a calendar-year basis only.

(1) Communication service tax rate was reduced from 6.65% to 4.92% starting July 2015.

Source: Florida Department of Revenue

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**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in millions, except per capita)**

SCHEDULE C-1

Governmental Activities							
Fiscal Year	Full Faith and Credit	Pledged Revenue	Installment Purchases and Capital Leases	Leases ⁽²⁾	Public-Private Partnerships ⁽¹⁾	Certificates of Participation	Total Governmental
2013	\$ 12,656	\$ 6,014	\$ 69	\$ —	\$ 2,280	\$ 723	\$ 21,742
2014	11,816	6,104	69	—	2,308	676	20,973
2015	11,080	5,395	62	—	2,202	615	19,354
2016	10,712	5,099	63	—	2,388	573	18,835
2017	9,984	4,395	56	—	2,396	533	17,364
2018	9,693	3,778	40	—	2,457	492	16,460
2019	9,375	3,466	24	—	2,681	422	15,968
2020	9,406	3,379	40	—	2,766	384	15,975
2021	8,798	3,482	45	—	2,708	335	15,368
2022	7,328	2,784	29	1,300	2,314	447	14,202

Note: Details regarding the state's outstanding debt can be found in Notes 6, 10, 11 , 12, and 13 to the Financial Statements.

⁽¹⁾ Refer to Notes 12 and 13.

⁽²⁾ Due to the implementation of GASB Statement No. 87 - Leases, effective July 1, 2021, outstanding debt related to leases is no longer classified as capital leases and is separately reported. Refer to Note 6 - Leases for more detail.

⁽³⁾ Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

⁽⁴⁾ Population data used in calculation of this ratio can be found in Schedule D-1.

SCHEDULE C-1

Business-type Activities

Pledged Revenue	Public- Private Partnerships ⁽¹⁾	Installment Purchases and Capital Leases	Leases ⁽²⁾	Total Primary Government	Debt as a Percentage of Tax-supported Revenues ⁽³⁾	Debt Per Capita ⁽⁴⁾
\$ 6,107	\$ —	\$ 4	\$ —	\$ 27,853	86.14 %	\$ 1,446.18
5,823	345	21	—	27,162	80.60 %	1,392.40
4,808	376	19	—	24,557	69.47 %	1,239.31
6,001	321	17	—	25,174	66.97 %	1,249.41
5,350	262	16	—	22,992	59.04 %	1,122.43
5,174	218	29	—	21,881	53.31 %	1,049.92
4,885	215	16	—	21,084	49.18 %	994.13
4,521	214	15	—	20,718	50.31 %	959.35
7,047	212	8	—	22,635	47.64 %	1,033.61
6,696	368	4	44	21,314	38.04 %	957.88

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in millions, except per capita)**

SCHEDULE C-2

General Bonded Debt Outstanding							
Fiscal Year	Full Faith and Credit	Certificates of Participation	Total	Restricted Resources	Net General Bonded Debt Outstanding	Debt as a Percentage of Tax-supported Revenue ⁽¹⁾	Debt Per Capita ⁽²⁾
2013	\$ 12,656	\$ 723	\$ 13,379	\$ 280	\$ 13,099	40.51 %	\$ 680.13
2014	11,816	676	12,492	263	12,229	36.29 %	626.89
2015	11,080	615	11,695	248	11,447	32.38 %	577.69
2016	10,712	573	11,285	252	11,033	29.35 %	547.58
2017	9,984	533	10,517	218	10,299	26.45 %	544.78
2018	9,693	492	10,185	163	10,022	24.42 %	480.89
2019	9,375	422	9,797	80	9,717	22.66 %	458.16
2020	9,406	384	9,790	30	9,760	23.70 %	451.92
2021	8,798	335	9,133	33	9,100	19.15 %	415.56
2022	7,328	447	7,775	16	7,759	13.85 %	348.70

Note: Details regarding the state's outstanding debt can be found in Notes 10 and 11 to the Financial Statements.

⁽¹⁾ Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

⁽²⁾ Population data used in calculation of this ratio can be found in Schedule D-1.

**Legal Debt Margin
Last Ten Fiscal Years
(dollars in millions)**

Legal debt margin calculated for fiscal year 2021-2022:

Tax-supported revenues ⁽¹⁾	\$56,028
Debt limit ⁽²⁾	3,362
Debt applicable to limit:	
Aggregate debt service on tax-supported debt	<u>2,116</u>
Legal debt margin	<u><u>\$1,246</u></u>

	2013 ⁽³⁾	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit ⁽²⁾	\$1,940	\$2,022	\$2,121	\$2,255	\$2,337	\$2,463	\$2,572	\$2,471	\$2,851	\$3,362
Total debt applicable to limit	<u>2,196</u>	<u>1,887</u>	<u>1,971</u>	<u>2,053</u>	<u>2,178</u>	<u>2,295</u>	<u>1,989</u>	<u>2,263</u>	<u>2,041</u>	<u>2,116</u>
Legal debt margin	<u><u>\$ (256)</u></u>	<u><u>\$ 135</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 202</u></u>	<u><u>\$ 159</u></u>	<u><u>\$ 168</u></u>	<u><u>\$ 583</u></u>	<u><u>\$ 208</u></u>	<u><u>\$ 810</u></u>	<u><u>\$1,246</u></u>
Total net debt applicable to the limit as a percentage of debt limit.	113.20 %	93.32 %	92.93 %	91.03 %	93.20 %	93.18 %	77.33 %	91.58 %	71.59 %	62.94 %

⁽¹⁾ For purposes of this Schedule C-3, tax-supported revenues are comprised of the general revenues of the state, including primarily sales and use tax receipts, and the specific state tax revenues pledged for payment of debt service. Tax-supported debt is debt secured by the full faith and credit of the state or payable from general revenue or specified state tax sources. As of June 30, 2022, the total outstanding balance of tax-supported debt was approximately \$12,980,500,000.

⁽²⁾ The state debt fiscal responsibility policy, Section 215.98, Florida Statutes, establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the present policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. The 6% ratio has been used to determine the debt limit in this schedule.

⁽³⁾ In Fiscal Year 2013 tax-supported debt service exceeded 7% of tax-supported revenues.

Source: Florida State Board of Administration, Division of Bond Finance

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

SCHEDULE C-4

The schedules below contain information regarding revenues pledged to repay debt obligations. For each bond type, the schedules disclose Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, and Coverage Ratio. The bond types with operating expenses are considered self-supporting debt and are paid from the associated facilities being financed. If operating expenses are not shown, the bond type is considered to be Net Tax Supported Debt and serviced by dedicated tax or fee revenues.

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
Florida Turnpike						
2013	767,985	157,388	610,597	111,680	133,549	2.49
2014	808,374	157,343	651,031	116,398	130,033	2.64
2015	894,589	177,160	717,429	120,990	132,991	2.82
2016	987,149	192,458	794,691	129,620	131,805	3.04
2017	1,044,530	208,198	836,332	133,590	123,804	3.25
2018	1,063,729	233,020	830,709	140,640	115,874	3.24
2019	1,078,094	238,344	839,750	143,680	115,300	3.24
2020	995,849	242,882	752,967	135,870	116,025	2.99
2021	1,012,690	252,491	760,199	145,130	112,665	2.95
2022	1,153,380	251,867	901,513	142,410	120,538	3.43
Florida Forever/Preservation 2000/Everglades						
2013	950,700	—	950,700	345,485	88,253	2.19
2014	1,049,500	—	1,049,500	97,960	72,963	6.14
2015	1,229,100	—	1,229,100	102,715	67,113	7.24
2016	2,276,900	—	2,276,900	106,415	63,456	13.40
2017	2,417,800	—	2,417,800	110,955	58,213	14.29
2018	2,510,000	—	2,510,000	112,810	51,784	15.25
2019	2,651,100	—	2,651,100	116,305	45,272	16.41
2020	2,874,900	—	2,874,900	116,703	40,943	18.24
2021	4,082,800	—	4,082,800	122,425	35,178	25.91
2022	5,359,021	—	5,359,021	107,015	28,600	39.52
Lottery Education ⁽³⁾						
2013	1,424,307	—	1,424,307	185,661	125,883	4.57
2014	1,495,409	—	1,495,409	194,105	118,649	4.78
2015	1,496,371	—	1,496,371	203,389	108,556	4.80
2016	1,692,551	—	1,692,551	211,921	98,398	5.45
2017	1,656,348	—	1,656,348	219,805	85,327	5.43
2018	1,758,329	—	1,758,329	244,688	71,054	5.57
2019	1,927,054	—	1,927,054	199,770	57,290	7.50
2020	1,913,799	—	1,913,799	170,170	47,385	8.80
2021	2,236,639	—	2,236,639	136,873	38,760	12.73
2022	2,333,723	—	2,333,723	129,920	32,209	14.39
Alligator Alley						
2013	25,115	7,409	17,706	1,660	1,790	5.13
2014	26,755	8,272	18,483	1,740	1,707	5.36
2015	28,601	8,525	20,076	1,830	1,620	5.82
2016	30,656	8,757	21,899	1,920	1,529	6.35
2017	32,383	8,594	23,789	2,015	1,433	6.90
2018	33,003	9,973	23,030	1,765	1,031	8.24
2019	34,749	10,416	24,333	1,805	994	8.70
2020	31,290	10,135	21,155	1,895	903	7.56
2021	33,943	11,109	22,834	1,990	809	8.16
2022	37,978	10,971	27,007	2,085	709	9.67
Sunshine Skyway						
2019	28,809	8,756	20,053	—	—	2.92 ⁽⁴⁾
2020	26,348	7,814	18,534	2,480	4,391	2.70
2021	26,617	9,264	17,353	3,025	3,848	2.52
2022	29,246	9,023	20,223	3,175	3,697	2.94

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
State Infrastructure Bank						
2013	64,368	—	64,368	9,955	3,988	4.62
2014	69,407	—	69,407	10,710	3,491	4.89
2015	56,750	—	56,750	10,085	2,955	4.35
2016	51,131	—	51,131	8,845	2,451	4.53
2017	47,269	—	47,269	8,655	2,009	4.43
2018	43,041	—	43,041	8,160	1,576	4.42
2019	35,362	—	35,362	7,200	1,168	4.23
2020	29,607	—	29,607	6,400	808	4.11
2021	29,008	—	29,008	3,560	488	7.17 ⁽⁵⁾
Florida Hurricane Catastrophe Fund Finance Corporation⁽⁶⁾						
2013	1,746,135	17,071	1,729,064	3,796,795	80,687	0.44 ⁽⁷⁾
2014	1,789,748	17,650	1,772,098	300,000	83,746	4.61
2015	1,564,480	18,687	1,545,793	325,000	65,194	3.95
2016	1,205,500	18,774	1,186,726	—	44,052	26.93
2017	1,181,244	19,505	1,161,739	—	46,758	24.84
2018	1,252,540	19,548	1,232,992	—	34,590	35.64
2019	1,559,827	23,544	1,536,283	—	—	N/A
2020	1,187,643	80,576	1,107,067	—	6,778	163.33
2021	1,205,946	24,120	1,181,826	—	60,725	19.46
2022	1,211,663	25,224	1,186,439	—	59,657	19.89
State University System Bonds						
2013	51,730	—	51,730	17,335	9,614	1.92
2014	55,766	—	55,766	12,835	8,796	2.58
2015	53,960	—	53,960	13,460	8,032	2.51
2016	55,768	—	55,768	14,010	7,352	2.61
2017	56,193	—	56,193	9,390	6,740	3.48
2018	58,324	—	58,324	9,525	5,765	3.81
2019	58,547	—	58,547	9,945	4,576	4.03
2020	58,796	—	58,796	10,295	4,093	4.09
2021	59,488	—	59,488	10,760	3,619	4.14
2022	56,162	—	56,162	11,265	3,123	3.90
University Auxiliary Bonds						
Parking System Revenue Bonds						
Florida International University						
2013	12,663	4,062	8,601	2,815	2,151	1.73
2014	13,762	5,032	8,730	2,655	3,023	1.54
2015	13,845	4,863	8,982	2,875	3,457	1.42
2016	14,377	5,676	8,702	3,000	3,321	1.38
2017	15,651	6,202	9,449	3,135	3,192	1.49
2018	15,275	5,600	9,675	3,280	3,047	1.53
2019	15,601	6,296	9,304	3,430	2,893	1.47
2020	13,759	6,963	6,796	2,785	2,487	1.29
2021	13,502	5,770	7,732	2,920	2,352	1.47
2022	14,213	6,143	8,070	3,030	2,252	1.53
University of South Florida						
2013	13,187	7,799	5,388	2,205	1,354	1.51
2014	13,783	7,661	6,122	2,285	1,272	1.72
2015	13,905	7,942	5,964	2,380	1,179	1.68
2016	14,150	8,148	6,002	2,485	1,075	1.69
2017	13,977	7,880	6,097	2,340	717	1.99
2018	14,701	8,526	6,175	2,495	441	2.10
2019	15,111	8,327	6,784	2,550	386	2.31
2020	13,066	8,571	4,495	2,610	330	1.53
2021	9,216	7,886	1,330	2,665	273	0.45
2022	13,517	7,336	6,181	2,715	214	2.11

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

SCHEDULE C-4
(Continued)

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
Florida Agricultural & Mechanical University						
2013	2,422	1,538	884	170	61	3.82
2014	2,216	1,501	715	180	53	3.07
2015	2,195	1,118	1,077	190	43	4.62
2016	1,942	1,039	903	200	33	3.87
2017	1,877	1,171	706	210	23	3.03
2018	1,922	1,597	325	220	12	1.40 ⁽⁸⁾
University of Florida						
2013	11,988	7,545	4,443	2,165	965	1.42
2014	12,499	7,176	5,323	2,260	870	1.70
2015	12,530	7,294	5,236	1,510	791	2.28
2016	13,093	7,298	5,794	1,570	729	2.52
2017	13,920	7,811	6,109	1,640	662	2.63
2018	14,801	6,197	8,604	980	537	5.67
2019	15,744	6,330	9,414	1,020	820	5.12
2020	12,660	6,893	5,767	1,810	1,761	1.61
2021	12,078	6,253	5,825	1,900	1,668	1.63
2022	14,046	6,864	7,182	1,995	1,571	2.01
Florida Atlantic University						
2013	7,324	2,821	4,503	835	544	3.27
2014	7,161	3,164	3,997	1,300	779	1.92
2015	7,072	4,103	2,969	1,325	753	1.43
2016	7,277	4,208	3,069	1,365	713	1.48
2017	7,327	3,135	4,192	1,405	672	2.02
2018	7,230	2,977	4,253	1,460	616	2.05
2019	7,325	2,897	4,428	1,515	558	2.14
2020	7,085	2,131	4,954	1,600	482	2.38
2021	6,202	1,793	4,409	1,670	402	2.13
2022	—	—	—	—	—	— ⁽⁹⁾
University of Central Florida						
2013	19,199	3,545	15,654	3,065	1,674	3.30
2014	19,251	3,335	15,916	3,275	1,639	3.24
2015	21,248	3,445	17,803	3,410	1,505	3.62
2016	21,972	4,204	17,768	3,540	1,374	3.62
2017	22,189	3,962	18,227	3,150	1,218	4.17
2018	22,597	3,890	18,707	3,280	1,081	4.29
2019	25,185	4,214	20,971	2,765	973	5.61
2020	20,278	4,224	16,054	2,776	740	4.57
2021	19,210	3,964	15,246	2,190	688	5.30
2022	22,991	4,352	18,639	2,295	584	6.47
Florida State University						
2013	11,879	2,660	9,219	3,515	2,112	1.64
2014	11,045	3,027	8,018	3,620	1,994	1.43
2015	11,892	3,204	8,688	3,025	1,903	1.76
2016	11,669	3,298	8,371	3,050	1,771	1.74
2017	12,175	3,515	8,660	3,165	1,549	1.84
2018	12,241	3,248	8,993	3,389	1,351	1.90
2019	12,174	3,133	9,040	3,506	1,230	1.91
2020	12,577	2,881	9,696	3,651	1,091	2.04
2021	11,717	3,226	8,491	3,791	946	1.79
2022	12,569	1,834	10,735	3,410	907	2.49

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
Housing System Revenue Bonds						
Florida Agricultural & Mechanical University						
2014	11,146	7,297	3,849	2,684	3,228	0.65
2015	14,068	7,499	6,569	2,820	3,096	1.11
2016	14,910	7,605	7,304	2,959	2,957	1.23
2017	14,524	6,608	7,916	3,110	2,811	1.34
2018	16,219	8,031	8,188	3,266	2,658	1.38
2019	16,047	9,707	6,340	815	1,731	2.49
2020	14,953	11,004	3,949	2,998	1,459	0.89
Florida International University						
2013	25,991	14,149	11,842	3,975	4,691	1.37
2014	30,469	16,622	13,847	5,175	4,521	1.43
2015	29,110	14,529	14,582	5,390	4,312	1.50
2016	30,611	13,141	17,469	5,465	3,840	1.88
2017	29,939	16,856	13,083	3,750	3,668	1.76
2018	31,280	17,720	13,560	3,915	3,503	1.83
2019	31,728	17,079	14,649	4,100	3,319	1.97
2020	21,378	10,890	10,488	4,275	3,138	1.41
2021	17,435	9,786	7,649	4,470	2,816	1.05
2022	26,231	16,149	10,082	4,010	2,534	1.54
University of Florida						
2013	48,964	32,770	16,194	3,680	3,125	2.38
2014	52,210	35,004	17,206	3,500	3,040	2.63
2015	54,588	35,076	19,512	4,580	3,509	2.41
2016	59,717	38,192	21,524	4,705	3,346	2.67
2017	57,787	39,120	18,667	4,800	3,058	2.38
2018	56,893	37,308	19,585	5,045	2,779	2.50
2019	56,544	39,483	17,061	5,255	2,553	2.19
2020	47,776	35,057	12,719	4,560	2,332	1.85
2021	40,161	31,295	8,866	4,765	2,128	1.29
2022	54,566	36,063	18,503	4,500	2,072	2.82
Florida Atlantic University						
2013	16,498	7,481	9,017	2,690	3,077	1.56
2014	15,898	7,153	8,745	2,795	2,971	1.52
2015	14,828	7,574	7,254	2,900	2,862	1.26
2016	16,665	8,136	8,529	3,020	2,746	1.48
2017	17,859	8,844	9,015	3,130	2,434	1.62
2018	18,072	7,676	10,396	2,935	2,452	1.93
2019	19,698	8,233	11,466	3,045	2,335	2.13
2020	16,724	7,287	9,437	3,210	2,182	1.75
2021	13,930	6,535	7,395	3,365	2,022	1.37
2022	17,065	7,192	9,873	2,460	1,854	2.29
University of Central Florida						
2013	25,577	14,208	11,369	3,125	5,117	1.38
2014	29,316	17,450	11,866	3,125	5,117	1.44
2015	29,455	14,831	14,624	4,225	4,565	1.66
2016	30,882	16,641	14,241	4,395	4,400	1.62
2017	31,063	16,274	14,789	4,580	4,210	1.68
2018	30,085	16,417	13,668	4,795	3,987	1.56
2019	32,299	18,720	13,579	5,040	3,593	1.57
2020	26,231	18,880	7,351	5,030	3,307	0.88
2021	22,902	15,304	7,598	5,270	3,064	0.91
2022	29,729	16,731	12,998	4,305	2,643	1.87

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

SCHEDULE C-4
(Continued)

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
Florida State University						
2013	39,011	15,963	23,048	4,140	5,652	2.35
2014	42,203	18,193	24,010	4,285	6,886	2.15
2015	43,194	19,302	23,892	4,675	6,774	2.09
2016	45,281	21,230	24,051	6,065	7,841	1.73
2017	43,690	22,736	20,955	6,010	7,971	1.50
2018	49,798	24,695	25,103	7,605	7,691	1.64
2019	49,179	23,237	25,942	7,940	7,345	1.70
2020	45,691	22,824	22,867	8,310	6,990	1.49
2021	34,598	20,247	14,351	8,685	6,610	0.94
2022	50,103	20,306	29,797	8,550	6,092	2.04
Student Health and Wellness Center Revenue Bonds						
University of Central Florida						
2013	13,243	—	13,243	360	256	21.50
2014	14,127	—	14,127	375	242	22.90
2015	16,610	—	16,610	395	226	26.76
2016	16,992	—	16,992	410	209	27.45
2017	17,116	—	17,116	425	191	27.79
2018	17,519	—	17,519	445	172	28.40
2019	17,920	—	17,920	465	152	29.05
Florida State University						
2013	14,232	—	14,232	1,110	1,272	5.97
2014	13,851	—	13,851	1,155	1,228	5.81
2015	14,842	—	14,842	1,200	1,182	6.23
2016	14,794	—	14,794	1,245	1,134	6.22
2017	14,941	—	14,941	1,310	1,072	6.27
2018	15,026	—	15,026	1,360	1,019	6.32
2019	14,901	—	14,901	1,415	965	6.26
2020	15,452	—	15,452	1,470	908	6.50
2021	15,316	—	15,316	1,530	849	6.44
2022	15,319	—	15,319	1,070	675	8.78
University of North Florida						
2013	3,985	—	3,985	410	618	3.88
2014	4,248	—	4,248	420	627	4.06
2015	4,243	—	4,243	435	614	4.04
2016	4,179	—	4,179	450	600	3.98
2017	4,187	—	4,187	460	586	4.00
2018	4,281	—	4,281	475	572	4.09
2019	4,484	—	4,484	490	558	4.28
2020	4,496	—	4,496	505	539	4.31
2021	4,348	—	4,348	540	521	4.10
2022	4,392	—	4,392	450	293	5.91
Bookstore Revenue Bonds						
University of Central Florida						
2013	1,880	401	1,479	230	65	5.02
2014	1,840	548	1,292	240	53	4.41
Student Services Center Revenue Bonds						
University of Florida						
2014	21,347	—	21,347	1,045	1,571	8.16
2015	23,952	—	23,952	1,340	1,891	7.41
2016	25,861	—	25,861	1,410	1,824	8.00
2017	28,012	—	28,012	1,480	1,754	8.66
2018	28,504	—	28,504	1,555	1,680	8.81
2019	29,263	—	29,263	1,630	1,602	9.05
2020	29,504	—	29,504	1,715	1,520	9.12
2021	30,157	—	30,157	1,800	1,435	9.32
2022	30,826	—	30,826	1,890	1,345	9.53

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
DOT Financing Corporation Bonds						
2019	4,694,931	—	4,694,931	9,205	6,285	303.10
2020	4,520,651	—	4,520,651	7,900	7,591	291.82
2021	4,656,544	—	4,656,544	12,015	10,329	208.41
2022	4,548,642	—	4,548,642	16,590	13,077	153.32
GARVEE						
2020	1,993,118	—	1,993,118	5,230	4,005	215.83
2021	1,907,826	—	1,907,826	10,815	7,749	102.77
2022	1,752,980	—	1,752,980	16,910	11,303	62.13
Water Pollution Control Bonds						
2013	87,796	—	87,796	34,155	23,514	1.52
2014	90,986	—	90,986	34,840	22,025	1.60
2015	96,548	—	96,548	34,875	20,534	1.74
2016	86,109	—	86,109	32,930	19,001	1.66
2017	79,218	—	79,218	31,700	17,500	1.61
2018	78,977	—	78,977	28,770	16,077	1.76
2019	84,834	—	84,834	28,030	14,664	1.99
2020	93,421	—	93,421	27,790	13,268	2.28
2021	75,116	—	75,116	26,165	4,658	2.44
2022	66,134	—	66,134	25,465	4,187	2.23
Inland Protection Bonds						
2013	188,346	—	188,346	5,605	3,181	21.44
2014	192,444	—	192,444	5,885	2,931	21.83
2015	198,432	—	198,432	6,180	2,637	22.50
2016	206,566	—	206,566	6,485	2,323	23.45
2017	212,852	—	212,852	6,810	2,000	24.16
2018	222,483	—	222,483	7,000	1,802	25.28
2019	235,565	—	235,565	7,205	1,586	26.80
2020	214,563	—	214,563	3,245	4,095	29.23
2021	206,486	—	206,486	5,005	1,079	33.94
2022	236,016	—	236,016	5,255	829	38.79
Seaport Investment Program						
2014	200,000	—	200,000	2,387	6,195	23.30
2015	200,000	—	200,000	2,145	6,436	23.31
2016	200,000	—	200,000	2,250	6,329	23.31
2017	200,000	—	200,000	2,365	6,217	23.31
2018	200,000	—	200,000	2,485	6,098	23.30
2019	200,000	—	200,000	2,605	5,974	23.31
2020	200,000	—	200,000	2,740	5,844	23.30
2021	200,000	—	200,000	2,875	5,707	23.31
2022	200,000	—	200,000	3,020	5,563	23.30

⁽¹⁾ Refer to Note 10A.2. for information on the sources of pledged revenues.

⁽²⁾ Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

⁽³⁾ Source: Department of Lottery, Audited Financial Statements.

⁽⁴⁾ Coverage shown based on maximum annual debt service of \$6,874,250 for illustrative purposes.

⁽⁵⁾ The outstanding State Infrastructure Bank Bonds were cash defeased on September 1, 2021 and redeemed on October 21, 2021.

⁽⁶⁾ Florida Hurricane Catastrophe Bonds debt service is reduced by interest earnings on bond proceeds and bond proceeds used to repay principal.

⁽⁷⁾ In Fiscal Year 2008, Florida Hurricane Catastrophe Fund executed a \$3.5 billion liquidity bond issue. The proceeds of the issue were used to redeem the bonds at maturity in Fiscal Year 2013. The coverage ratio shown is based only on the net revenue and does not include the bond proceeds used to redeem the bonds. Including the bond proceeds, the coverage ratio is 1.35.

⁽⁸⁾ FAMU Parking Bonds, Series 1997 final payment was in Fiscal Year 2018.

⁽⁹⁾ The outstanding Florida Atlantic University Parking Bonds were cash defeased on May 23, 2022 and redeemed on July 1, 2022.

Source: Florida State Board of Administration, Division of Bond Finance

**Demographic and Economic Statistics
For the Last Ten Calendar Years**
SCHEDULE D-1

Year	Population				Personal Income (in millions)	
	Florida - April 1	Percent Change from Prior Year	U.S. - July 1	Percent Change from Prior Year	Florida	U.S.
2013	19,337,590	1.06%	316,059,947	0.70%	\$ 802,976	\$ 14,189,228
2014	19,585,096	1.28%	318,386,329	0.74%	861,412	14,969,527
2015	19,879,230	1.50%	320,738,994	0.74%	919,835	15,681,233
2016	20,201,450	1.62%	323,071,755	0.73%	954,070	16,092,713
2017	20,524,865	1.60%	325,122,128	0.63%	1,023,855	16,837,337
2018	20,854,945	1.61%	326,838,199	0.53%	1,088,795	17,671,054
2019	21,189,849	1.61%	328,329,953	0.46%	1,165,093	18,575,467
2020	21,538,187	1.64%	331,501,080	0.97%	1,235,793	19,812,171
2021	21,898,945	1.67%	331,893,745	0.12%	1,356,319	21,288,709
2022	22,251,246	1.61%	332,838,183	0.28%	1,384,563	21,688,212

⁽¹⁾ Unemployment rates are annualized (average of monthly rates).

⁽²⁾ School enrollment is by state fiscal year and other data are by calendar year, April 1, or July 1.

Note: Historical data are from the: U.S. Department of Commerce; University of Florida; U.S. Department of Labor; and Florida Department of Education. Forecast data are based on the Florida Demographic, National Economic, and Florida Economic Estimating Conferences (July 2022)

Sources: Florida Legislature, Florida Department of Education

**State of Florida
Population by Age**

Age Group	2000 Census	Percent	2010 Census	Percent	2021 Estimate	Percent
0 - 14	3,034,656	18.99%	3,284,608	17.47%	3,686,383	16.83%
15 - 24	1,942,430	12.15%	2,457,140	13.07%	2,610,702	11.92%
25 - 44	4,569,515	28.59%	4,720,799	25.11%	5,434,080	24.81%
45 - 64	3,628,573	22.70%	5,079,161	27.01%	5,585,176	25.50%
65 and Over	2,807,650	17.57%	3,259,602	17.34%	4,582,604	20.93%
Total	15,982,824	100.00%	18,801,310	100.00%	21,898,945	100.00%

Source: 2021 age group estimates are from supporting data for Florida Population Studies, Bulletin 193, October 2022, University of Florida, Bureau of Economic and Business Research. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research.

SCHEDULE D-1

Per Capita Personal Income		Unemployment Rate ⁽¹⁾		Median Age	Public School Enrollment ⁽²⁾
Florida	U.S.	Florida	U.S.	Florida	Florida
\$ 41,524	\$ 44,894	7.5%	7.4%	41.1	2,691,322
43,983	47,017	6.4%	6.2%	41.3	2,720,074
46,271	48,891	5.5%	5.3%	41.5	2,756,127
47,228	49,812	4.9%	4.9%	41.6	2,791,244
49,884	51,788	4.3%	4.4%	41.6	2,817,076
52,208	54,067	3.7%	3.9%	41.7	2,833,115
54,984	56,576	3.2%	3.7%	41.7	2,846,857
57,377	59,765	8.2%	8.1%	41.8	2,858,949
61,935	64,143	4.6%	5.3%	41.9	2,791,687
62,224	65,161	3.4%	3.7%	42.0	2,833,179

Industry Sector Employment
For Calendar Years 2021 and 2012
(in thousands)

SCHEDULE D-2

Industry	Calendar Year 2021		Calendar Year 2012	
	Employment	Percentage of Total Employment ⁽¹⁾	Employment	Percentage of Total Employment ⁽¹⁾
Health Care and Social Assistance	1,167	12.99 %	970	12.96 %
Retail Trade	1,095	12.19 %	979	13.08 %
Accommodation and Food Services	917	10.21 %	804	10.74 %
Local Government	704	7.84 %	704	9.41 %
Administrative and Waste Services	686	7.64 %	536	7.16 %
Professional and Technical Services	656	7.30 %	457	6.11 %
Construction	576	6.41 %	342	4.57 %
Finance and Insurance	426	4.74 %	340	4.54 %
Manufacturing	388	4.32 %	318	4.25 %
Transportation and Warehousing	365	4.06 %	220	2.94 %
Total	6,980	77.72 %	5,670	75.77 %

Note: Privacy requirements prevent the state from obtaining and reporting specific information about the largest employers in the state's jurisdiction. Reporting by industry reveals the degree of concentration in the state's total employment base.

In December 2021, Florida's seasonally adjusted total nonagricultural employment was 9,138,500, an increase of 523,300 jobs (+6.1) over the year. The industries gaining the most jobs were leisure and hospitality (+167,000 jobs); and trade, transportation, and utilities (+113,900 jobs). From February 2020 to April 2020, Florida lost 1,282,500 jobs due to the effects of COVID-19. From April 2020 to December 2021, Florida had gained back all jobs lost (+1,345,500).

(1) "Employment" is being calculated based on average total employment by industry for each calendar year. Percentages of "Total" employment are based on the following:

	2021	2012
Total non-agricultural employment (in thousands)	8,913	7,400
Total agricultural employment (in thousands) - minus logging NAICS 1133	68	83
Total employment	8,981	7,483

Sources: Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research, Quarterly Census of Employment and Wages Program (for agricultural employment) and the U.S. Bureau of Labor Statistics, Current Employment Statistics Program (for all other industry data).

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**Full-time Equivalent (FTE) State Employees by Function
Last Ten Fiscal Years**

SCHEDULE E-1

Function (state) ⁽²⁾	Fiscal Year						
	2013	2014	2015	2016	2017	2018	2019
General Government	—	—	—	—	—	—	31,692
Education	—	—	—	—	—	—	2,624
Human Services	—	—	—	—	—	—	22,743
Criminal Justice and Corrections	—	—	—	—	—	—	30,495
Natural Resources and Environment	—	—	—	—	—	—	5,000
Transportation	—	—	—	—	—	—	5,333
Judicial Branch	—	—	—	—	—	—	3,305
Total	—	—	—	—	—	—	101,192

Function (federal)							
Financial administration	25,974	25,856	25,596	25,713	25,906	25,869	—
Streets and highways	5,821	5,827	5,810	5,685	5,647	5,662	—
Public welfare	13,784	13,736	13,829	13,852	13,817	13,998	—
Police protection	5,181	5,314	5,395	5,306	5,384	5,452	—
Natural resources and environment	7,245	7,185	7,143	7,126	6,995	7,094	—
Health	14,957	14,414	13,448	13,418	13,104	13,156	—
Housing and community development ⁽¹⁾	87	44	42	78	73	79	—
Community development ⁽¹⁾	37	36	34	—	—	—	—
Criminal justice and corrections	25,524	24,114	25,376	24,661	24,858	25,174	—
Utility and transportation	269	259	257	245	253	246	—
Employee security	1,384	1,446	1,346	1,295	1,279	1,265	—
Education	2,184	2,147	2,185	2,109	2,090	2,094	—
Judicial branch	4,097	4,112	4,055	4,098	4,098	4,142	—
Other	999	1,025	1,020	782	1,002	974	—
Total	107,543	105,515	105,536	104,368	104,506	105,205	—

Note: FTE's are calculated based on a 40 hour work week. A numerical designator is based on 100% for a full-time employee (i.e., 1.00 point for a FTE working 40 hours). All others are prorated accordingly.

⁽¹⁾ In fiscal year 2015-16, a Legislative Budget Request from Department of Economic Opportunity was approved to combine the functions of Community Development with Housing.

⁽²⁾ In fiscal year 2018-19, reporting by federal function was changed to reporting by state function to mirror the primary government functions presented within the Government-Wide Statement of Activities financial statement of the State of Florida's Annual Comprehensive Financial Report.

Sources: Florida Legislature, Florida State Board of Administration, Florida Department of Management Services

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**Operating Indicators by Function
Last Ten Fiscal Years**

SCHEDULE E-2

	Fiscal Year				
	2013	2014	2015	2016	2017
<u>General Government</u>					
Department of Revenue					
Total administered taxes (<i>in millions \$</i>)	34,659	41,095	43,589	44,528	46,148
Department of Management Services ⁽¹⁾					
Number of retired members covered	347,147	362,216	377,671	394,527	406,018
<u>Education</u>					
Universities					
University enrollments	334,989	337,750	341,044	345,672	352,116
Degrees awarded	81,260	83,001	84,445	86,118	87,845
<u>Human Services</u>					
Department of Health ⁽²⁾					
Number of live births	215,194	219,905	224,273	225,018	223,579
Number of deaths	180,014	185,038	191,488	197,236	203,353
Department of Children and Families					
Supplemental Nutrition Assistance Program (SNAP) recipients	3,581,136	3,565,520	3,693,396	3,597,030	3,270,816
SNAP households	1,962,933	1,946,026	2,029,951	1,971,469	1,736,445
<u>Criminal Justice and Corrections</u>					
Department of Corrections					
Inmate admissions	33,295	32,442	30,985	30,289	28,783
Community supervision admissions	88,819	86,369	83,064	83,176	83,293
Facility population	100,884	100,942	100,050	99,119	97,794
<u>Natural Resources and Environment</u>					
Department of Environmental Protection					
State park and trail visitations	25,575,794	27,170,451	31,108,245	31,840,658	32,219,989
Florida Fish and Wildlife Conservation Commission					
Fishing and hunting licenses ⁽³⁾	1,544,549	2,350,586	2,406,822	2,532,883	2,562,063
<u>Transportation</u>					
Department of Highway Safety & Motor Vehicles					
Registrations ⁽⁴⁾	20,259,599	21,357,026	22,695,334	22,546,058	22,783,727
Titles issued ⁽⁴⁾	5,362,575	6,014,150	6,615,964	6,098,475	6,122,750
Traffic crashes ⁽²⁾	316,943	344,170	374,342	395,785	402,385
Department of Transportation ⁽²⁾					
Daily vehicle miles traveled (<i>in thousands</i>)	287,977	288,398	307,532	322,051	322,835
<u>Judicial Branch</u>					
Judicial Branch System					
Number of cases filed/added:					
Circuit criminal defendants	186,117	176,768	171,414	171,670	169,529
County criminal	361,046	355,981	341,499	317,587	316,029
County civil	438,963	417,323	431,868	428,401	470,957
Traffic	383,776	280,102	285,716	282,362	278,528
Family court	289,752	281,154	284,629	288,430	286,659
Circuit civil	294,124	198,856	181,222	176,740	171,515
Probate	107,144	114,024	115,746	118,989	122,498

Note: Items denoted as unavailable have not been calculated for reporting as of the date of this ACFR.

⁽¹⁾ The Florida Retirement System includes retirees from the following employer groups: State Agencies, County Agencies, District School Boards, Universities, State Colleges, Cities, Special Districts, Hospitals, and Other. Refer to Note 8 and Other Required Supplementary Information for further details.

⁽²⁾ Information for this agency and/or item is only reported by calendar year. Information reported in each column represents calendar year ended December 31.

⁽³⁾ Beginning in 2014, the count being included reports the number of actual licenses versus prior years that reported the count of license holders.

⁽⁴⁾ Includes motor vehicles, mobile homes, and vessels.

Sources: Florida Department of Revenue, Florida Retirement System, Florida Board of Governors, Florida Department of Health, Florida Department of Children and Families, Florida Department of Corrections, Florida Department of Environmental Protection, Florida Department of Agriculture and Consumer Services, Department of Highway Safety and Motor Vehicles, Department of Transportation, Florida State Courts

Fiscal Year				
2018	2019	2020	2021	2022
48,502	51,689	49,939	56,929	68,464
415,483	424,612	431,998	440,069	404,369
358,522	362,157	365,447	370,905	370,535
91,390	93,962	96,925	99,399	100,613
221,508	220,010	209,182	216,550	Unavailable
205,461	206,975	239,294	264,832	Unavailable
3,168,733	2,995,799	2,972,154	3,561,924	2,969,317
1,692,603	1,582,961	1,637,833	2,012,027	1,653,351
27,916	28,782	21,276	18,149	25,362
83,820	84,497	65,822	60,129	69,483
96,256	95,626	87,737	80,495	82,124
28,178,773	29,446,353	24,837,900	29,076,725	32,145,083
2,543,028	2,570,014	2,608,004	2,781,975	2,808,461
23,337,413	23,630,831	23,014,926	24,605,792	24,316,646
6,527,961	6,578,659	6,143,073	7,044,193	6,762,524
403,626	401,864	341,367	401,533	Unavailable
334,216	343,628	312,780	332,360	Unavailable
170,117	177,592	158,200	148,817	149,052
293,282	308,438	253,511	222,187	228,465
536,779	619,737	633,952	858,867	780,452
196,313	254,973	193,929	184,111	206,895
277,239	268,870	238,264	241,027	244,023
164,776	208,433	184,223	173,599	146,534
117,356	132,856	132,283	152,325	161,142

**Capital Assets by Function
Last Ten Fiscal Years**

	Fiscal Year				
	2013	2014	2015	2016	2017
<u>General Government</u>					
Department of Management Services					
Buildings ⁽¹⁾	88	88	90	91	91
<u>Education</u>					
Universities and colleges⁽²⁾					
Assignable square feet (in thousands)	56,277	57,938	58,122	61,706	62,210
<u>Human Services</u>					
Department of Health					
Buildings	36	38	38	36	34
Vehicles	315	378	353	369	370
Department of Children and Families					
Buildings	211	211	211	227	227
<u>Criminal Justice and Corrections</u>					
Department of Corrections					
Correctional institutions	55	56	55	56	57
Work camps, forestry camps ⁽⁴⁾	39	38	44	43	42
Work release centers	32	35	34	33	32
Other facilities	16	16	17	17	17
<u>Natural Resources and Environment</u>					
Division of Recreation and Parks					
Number of state parks, greenways, and trails	171	171	201	174	174
Acres of land owned	789,059	788,619	792,999	791,145	790,852
Department of Environmental Protection					
Acres of land owned ⁽⁵⁾	4,245,742	4,268,885	4,281,419	4,284,333	4,319,159
Florida Fish and Wildlife Conservation Commission					
Vehicles	1,637	1,800	1,835	1,787	2,050
<u>Transportation</u>					
Department of Transportation					
Highway lane miles	43,337	43,514	43,665	43,819	44,064
Vehicles	4,703	4,406	4,188	4,170	4,170
Buildings ⁽³⁾	385	383	417	571	478
<u>Judicial Branch</u>					
Judicial Branch System					
Machinery and equipment ⁽⁶⁾	10,495	10,656	12,295	12,949	12,659

⁽¹⁾ Beginning with fiscal year 2019, the count included state-owned buildings occupied by full-time equivalent State employees. Previously, the count included certain State-owned buildings not occupied by full-time equivalent employees.

⁽²⁾ Universities and colleges are presented in the ACFR as discretely presented component units of the state.

⁽³⁾ Beginning with fiscal year 2020, the count included state-owned buildings occupied by full-time equivalent State employees. Previously, the count included certain State-owned buildings not occupied by full-time equivalent employees.

⁽⁴⁾ During fiscal year 2022, nine Work Camps closed.

⁽⁵⁾ Acreage information includes a cumulative total of acres acquired through each program and by donations and exchanges. The Water Management Districts have acquired and hold title to lands through other programs that are not included in this schedule.

⁽⁶⁾ In fiscal year 2020, the COVID-19 pandemic caused the purchase increase of machinery and equipment.

Sources: Florida Department of Management Services, Florida Department of Education, Florida Department of Health, Florida Department of Corrections, Florida Division of Recreation and Parks, Florida Department of Transportation, Florida Department of Financial Services, Division of Risk Management, Florida State Courts, Florida Fish, and Wildlife Conservation Commission

Fiscal Year				
2018	2019	2020	2021	2022
91	72	72	72	72
62,786	63,056	63,779	65,183	65,523
34	36	36	34	33
367	371	365	377	374
227	227	223	223	219
57	57	57	57	57
41	41	41	40	28
29	30	30	30	30
17	17	17	16	14
175	175	175	175	175
793,882	796,021	797,181	798,140	813,205
4,345,489	4,377,710	4,428,156	4,475,967	4,498,452
2,050	2,050	2,042	2,042	2,070
44,311	44,701	45,031	45,146	45,338
4,145	4,004	4,004	3,788	4,256
435	471	214	215	215
12,505	11,651	14,192	14,911	16,108

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